

City of Milpitas

Appendices to the Child Care Master Plan



Quality Child Care:
an investment in the future
of children, families and our community.

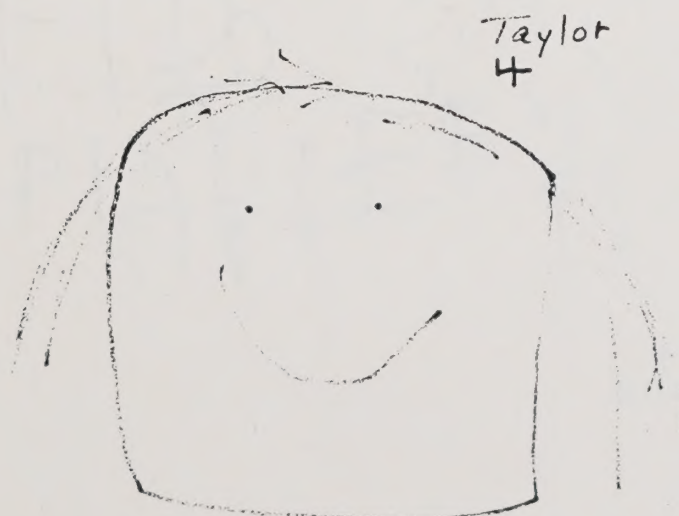
Presented by the City of Milpitas Child Care Master Plan Task Force

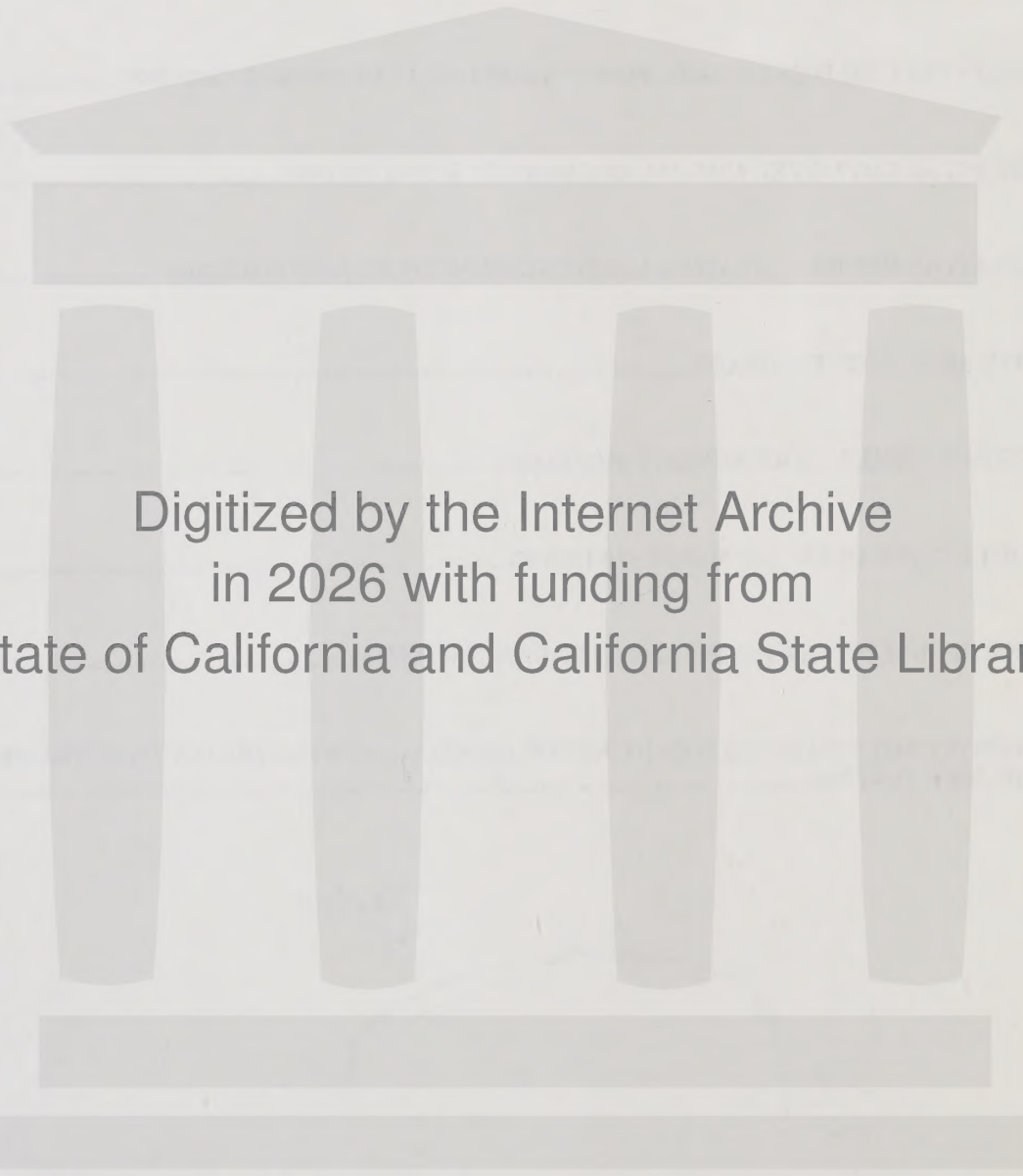
**A community based sub-committee to
the Parks, Recreation and Cultural Resources Commission**



Table of Contents

CITY OF MILPITAS CHILD CARE STAFF REPORT	I
CITY OF MILPITAS CHILD CARE TASK FORCE MEETING ATTENDANCE 1999-2002	II
CITY OF MILPITAS EMPLOYEE CHILD CARE SURVEY RESULTS 1997	III
CITY OF MILPITAS GENERAL PLAN 2.6 LAND USE PRINCIPLES AND POLICIES	IV
COMMUNITY MEETINGS SUMMARY	V
LOCAL BUSINESS CHILD CARE BENEFIT SUMMARY	VI
PARENT CHILD CARE QUESTIONNAIRE SUMMARY	VII
PHASE I REPORT MILPITAS CHILD CARE NEEDS ASSESSMENT	VIII
PHASE II REPORT MILPITAS CHILD CARE NEEDS ASSESSMENT STRATEGIES TO IMPROVE THE CHILD CARE SYSTEM.....	IX





Digitized by the Internet Archive
in 2026 with funding from
State of California and California State Library

<https://archive.org/details/C124892921>

City of Milpitas Child Care Staff Report

Tony Constantouros, City of Milpitas Assistant City Manager
& Starla Jerome-Robinson, City of Milpitas
Assistant Finance Director

3/1994

Handwritten notes and signatures, including the word "PLEASE" and various initials.

+
Brian



City of Milpitas

DATE: March 8, 1994
TO: City Council
FROM: Tony Constantouros, Assistant City Manager
Starla Jerome-Robinson, Assistant Finance Director
SUBJECT: Child Care Staff Report

I. RECOMMENDATIONS

II. OVERVIEW/DISCUSSION

III. APPENDIX A

IV. APPENDIX B

RECOMMENDATIONS:

MODEL EMPLOYER

- A. Promote an informational partnership with the business community with the possible assistance of the Chamber of Commerce to:
 - 1. Develop useful ideas to augment existing programs to benefit employees.
 - 2. Develop a network with the business community to establish a means of communicating concepts and programs relative to the model employer program.
 - 3. Develop a City/Business Child Care Partnership forum to present the "how's" on becoming a model employer. Encourage participation by the American Business Consortium and Santa Clara County Manufacturing Group's Task Force on Dependent Care.
- B. Consider expanding city employee practices and policies to include the following programs and practices at a nominal cost:
 - 4. Expand the Employee Orientation Program to include information concerning city employee policies towards child care issues.
 - 5. Explore developing a City policy on telecommuting.
 - 6. Develop and maintain current information and brochures on child care.
 - 7. Explore expansion of the current flextime work schedules available to City employees.
 - 8. Present information annually to employees regarding the benefit of the Dependent Care Assistance (DCAP) Program.
 - 9. Advise employees of the child care advise and referral services available through the Employee Assistance Program.
 - 10. Survey employees to identify practices or policies that would be meaningful to them.
 - 11. Explore other strategy options that would be meaningful to employees relative to child care issues.

SERVICE QUALITY ENHANCEMENT/PUBLIC INFORMATION

- C. Expand the hours of the existing preschool coordinator from 30 hours per week to 40 hours (\$10,000) emphasizing a more global role as child care coordinator. This expansion will be presented in an increment in the 1994-95 budget. Possible job duties of a child care coordinator:
12. Develop an informational brochure on how to start a child care businesses.
 13. Improve the quality of services available to Milpitas residents by child care referral agencies in Santa Clara County through regular communication and enhanced publicity of the type of information available through these agencies.
 14. Enhance publicity of the existing latch key program by holding one open house per year.
 15. Encourage meetings between the school district, the YMCA and the City to develop solutions for after school care and latch key programs.
 16. Explore the possibility of establishing a roster of "substitute teachers" interested in working for local child care centers.

FUNDING ASSISTANCE

- D. Increase the City's grant funding to include:
17. Additional Human Services grant funding dedicated to child care, increased from \$5,000 to \$15,000 effective with the current applications (1994/95 fiscal year).
 18. A new \$2,500 small grant (maximum amount of \$250 per grant) program for inhome child care businesses to expand developmental materials such as new books, develop listening skills, group singing, and art supplies. This grant could be subject to approval by the Parks, Recreation, and Cultural Arts Commission.
-

OVERVIEW/DISCUSSION

Child care is a complex issue, with no definitive answers. Parental and societal concerns regarding quality and quantity of care have become more visible during the past ten years. Child care is a national issue, not confined to a single city or regional area. Since the focus of child care issues change constantly, it is difficult to devise long term solutions. In fact there are no simple answers or solutions.

City staff has been working with Bay Area Economics (BAE) for the past year and a half to prepare recommendations on child care for the City Council to evaluate. The objective of the child care study was to assess the child care needs within the City, and once aware of those needs provide ideas to improve services within the community.

Key to the Council's direction to undertake the child care study is a desire to establish policies that are relevant to the issues within the City. Bay Area Economics has developed strategies to improve and expand child care within the City. The strategies developed by Bay Area Economics provide conceptual guidance for service improvements.

Staff has been in the process of developing a list that can be implemented by the Council. The goal of these mechanisms has been to address the full range of child care needs. Child care needs are different for infants, toddlers, preschoolers, and school age children. The objective has been to develop meaningful solutions for each segment of the child care population that addresses key needs while also being cost effective. It was felt that a group of specific and meaningful possible solutions should be generated prior to presentation to the City Council. The development of this list required a more lengthy review of possible approaches than originally anticipated. These ideas are presented above.

This report begins with implementation recommendations, reviews the needs identified in Phase I in Appendix A, provides staff thoughts on the consultants inventory of suggestions presented with the Phase II report in Appendix B, and briefly discusses the Milpitas needs.

It is important to note that the needs assessment is a snapshot in time, but the strategies to improve and expand child care are a plan for the next ten years. From a staff perspective, such a plan should include both philosophical statements and methodologies for material improvements.

MILPITAS ISSUES

The Needs Assessment points out on page vii that:

"The nature of the Milpitas child care system and the needs of residents, employers, and employees described in this report underscore the situation experienced by many communities in California..., a myriad of local, regional, and state organizations have evolved over time to meet a variety of needs resulting in a "patchwork" system which can be daunting to the families it ultimately serves."

The Needs Assessment concludes as follows:

"The findings of this Needs Assessment suggest that there is substantial unmet demand for child care in Milpitas. Discussions with local employers indicated that they are very interested in exploring child care assistance approaches with each other, the City, and providers. Employees would like more choices for work-based child care facilities, while providers see a strong need for more local resources to assist them and parents."

The strategies proposed by Bay Area Economics are presented in Phase II (contained in Appendix B). The strategies are generally in one of three conceptual groups: planning/zoning concepts, city administrative assistance, and city business policy. Generally, there are two broad areas of need: service quality enhancement (which includes public information) and access. Access succinctly describes a very broad issue since parents, providers, and employers all need improved access to:

- The child care system,
- Information about the child care system, and
- Funding options regarding child care services.

Note that a list of possible solutions which could be implemented at a low or nominal cost are presented in the Recommendations section. These recommendations are submitted as practical solutions, which while not comprehensive do provide the beginning of an effort to more significantly involve the City in the complex issues related to child care.

TASK FORCE EVALUATION

Since the initiation of the needs assessment study, there has been an option available to the Council to pursue community input by establishing a Task Force to evaluate and prioritize the consultants suggestions and a strategy for implementing those recommendations. The Task Force concept is presented with two additional options below:

Use of a Council Subcommittee.

A subcommittee of two could effectively evaluate the report, and the group of implementation suggestions provided by staff. This option is strengthened by the Council's interest in the issue of child care. The Council has the informational tools to implement the suggestions they wish to pursue.

Use of the Parks, Recreation and Cultural Resources Commission on a Short Term Basis.

This alternative provides the Council with community input without the potentially lengthy process of forming a new committee and selecting members. Staff would focus the issues for the Commission to review solutions and provide feedback to the Council.

Establish a Task Force.

This alternative also provides the Council with community input. Task Forces can be effective mechanism for promoting community input and involvement. The key objective is providing an opportunity to gain input regarding the issues and concerns that need addressing. Community input has already been accomplished in Phase I in the report. If the Council desired providing additional opportunity to the public for input it could be accomplished using the Parks, Recreation and Cultural Resources Commission as discussed above.

CONCLUSIONS:

These alternatives are presented as possible approaches. Staff recommends, however, that directing implementation of the recommendations provides a more aggressive approach effecting changes in the delivery of child care services.

cc: City Manager
Director of Financial Services
Director of Leisure Services

Appendix A: Phase I Executive Summary
Appendix B: Phase II: BAE Report and Staff Report

APPENDIX A: CHILD CARE NEEDS ASSESSMENT (PHASE I)

1. Staff summary.
2. Strategies to Improve the Child Care System.

APPENDIX A: CHILD CARE NEEDS ASSESSMENT (PHASE I)

Staff Summary

Attached is the executive summary from Phase I of the child care needs assessment. Generally, it identifies needs by employer, employee, provider and user group, as follows:

- Information for users and providers is currently available only on a random basis, limiting the usefulness of the information.
- Many employers expressed interest in responding to child care needs, but had limited experience.

Employee Needs of Businesses Surveyed

- Generally, users were satisfied with the quality of care their children were receiving. Cost for the service provided was the primary concern expressed. Employees of businesses surveyed also expressed interest in having more care on-site or near the workplace. Generally, parents are more concerned about infants within workplace proximity than preschoolers or school age children.

Provider Needs

- The providers indicated that finding substitute teachers and staff was a major problem. They also identified a range of other difficulties they face including care for mildly ill children and assistance for parents who need help paying the fees.
- The strategy most often suggested to meet provider needs was some type of a clearinghouse where parents and providers could gain access to a range of support services.

Demand Estimates

- The demand for organized spaces for children under six exceed supply by 200 spaces.
- The demand for organized spaces for children over six exceed supply by 400 spaces.

Bay Area Economics concludes the following in the needs assessment study "In summary, the child care system in Milpitas is characterized by numerous public, private and non-profit providers and support organizations. While the system allows for parental choice, its nature makes regulation of quality, provision of subsidies, and overall access difficult at best. This situation is very typical of child care throughout California and the U.S."

EXECUTIVE SUMMARY

Introduction

This report assesses the needs of Milpitas's residents, employers, employees, and providers with respect to child care. A subsequent report will explore the strategies that other communities have followed to improve child care, as well as begin to formulate recommendations about the appropriateness and cost of the most successful strategies for the City of Milpitas.

Demographic Overview

Milpitas has experienced substantial growth in population and households since 1980, and has a high proportion of households with children. Almost 20 percent of the population is under 12 years of age. Milpitas is relatively affluent, with almost 58 percent of the households earning incomes of \$50,000 or more, and higher median incomes than the County or the State. Milpitas is an ethnically diverse community, with a relatively large concentration of Asian/Pacific Islanders. This diversity may result in differing child care usage patterns due to different cultural traditions, family structures, and needs.

Employment has also grown rapidly in Milpitas. As more companies start up or move to the City, the availability of child care oriented to employees will likely become an aspect influencing the economic development of the area.

The Child Care System

The child care system in Milpitas is characterized by numerous public, private, and non-profit providers and support organizations. While the system allows for parental choice, its nature makes regulation of quality, provision of subsidies, and overall access difficult at best. This situation is very typical of child care throughout California and the U.S.

There are currently 123 facilities providing organized child care in Milpitas, including 104 family homes and 19 centers. These facilities provide a total of 2,458 spaces for children aged zero through 12 years. Family day care homes provide the majority of spaces for infants, while the majority of spaces for toddlers and school-aged children are in centers. This suggests that strategies for improving child care, if segmented by age of child, could be targeted to different types of facilities.

In addition to the spaces provided by licensed family homes and day care centers, the organized care facilities include a variety of programs run by the school district. Additionally, the City's Leisure Services Department runs a number of child-care oriented programs, including summer activities, limited-time preschool programs, and after-school programs.

The sources of financial assistance and subsidies for child care available to low income Milpitas households include Headstart and subsidized slots in school district programs. Unfortunately, there is no central point of access in Milpitas whereby families can learn about eligibility for subsidies, and the number of subsidized slots is extremely limited.

The State of California provides funding to a network of independent non-profit organizations throughout the State known as Resource and Referral agencies (also known as R & Rs). The R & R serving Milpitas is the Community Coordinated Child Development Council of Santa Clara County (also called the 4-C Council), headquartered in San Jose. The 4-C Council maintains a current database of all child care centers and family child care homes that are in operation in Milpitas as well as the entire County and provides referrals and other assistance to parents seeking child care information. Although these services are available to parents and caregivers in Milpitas at no cost, many are unaware of the existence of the 4-C Council. This is due to the fact that the 4-C Council is based in San Jose and serves a wide geographic area of which Milpitas is a small part. There are also several private for-profit referral organizations which serve Milpitas.

There are a variety of organizations and agencies which support and regulate child care in Milpitas. These include family child care associations, and other membership, assistance, and training organizations. Regulation is administered primarily at the State level.

Public funding for child care in the U.S. is provided both directly, by State and Federal funding programs, and indirectly, through various tax incentives. The major source of funding for child care services is the State of California, which provided over \$300 million in 1991. Much of this funding pays for the licensing process and the provision of subsidized spaces.

In summary, the child care system in Milpitas is characterized by numerous public, private, and non-profit providers and support organizations. While the system allows for parental choice, its nature makes regulation of quality, provision of subsidies, and overall access difficult at best. This situation is very typical of child care throughout California and the U.S.

Resident Needs

Milpitas had approximately 9,700 children under the age of 12 in its population in 1990. Labor force participation rates for Milpitas mothers of children under 18 women are very high; 70 percent of mothers with only children under six are employed or seeking employment. It is likely that almost all of the children under the age of six of working mothers need some form of child care. For school aged children between six and 12 years old, child care is also needed by many working families, particularly those with single parents. There were approximately 760 children under the age of 18 living below poverty level in 1990; these children probably have a substantial need for subsidized child care.

Child care in Milpitas is provided by a variety of licensed and license-exempt facilities, unregulated facilities, friends, neighbors, and relatives, as in most communities in the U.S. Although actual patterns of care use are not known for Milpitas due to the lack of a representative resident survey, it is likely that child care usage patterns roughly parallel national patterns, where approximately half of preschool children are in organized care, i.e., family day care or center care, and that the proportion in organized care is increasing over time.

Employer and Employee Needs

To assess the child care needs of employers and employees in Milpitas, Bay Area Economics surveyed the City's 10 largest employers and a random sample of 20 smaller firms with between five and 75 employees. To gain more insight into the child care needs of employees working at the small firms, BAE surveyed the employees at five of the firms previously contacted for the employer survey. While the employee survey was not extensive, it is likely illustrative of conditions regarding child care at small Milpitas firms.

Employer Needs. There are a variety of ways employers are assisting with the provision of child care in Milpitas. According to the survey, formal or informal flex-time benefits seemed to be the most prevalent assistance offered. A majority of the large firms offer the Dependent Care Assistance Plan (DCAP), which enables employers to apply pre-tax salary towards payment of child care; very few small firms offer it. There was considerable confusion over this program in many firms, signaling the need for increased education of businesses. Other types of assistance offered (generally only by one or a few of the firms surveyed) included referral services, unpaid leave (in addition to the state-mandated disability leave), job sharing, additional sick days to care for sick children, and reduced-price programs at specific child care centers.

Many firms expressed an interest in responding to employee child care needs but needed additional information and guidance. Some businesses in Milpitas currently provide innovative and successful child care benefits for their employees that other businesses might be interested in modeling.

Overall, few firms offer child care benefits to their employees through specific policies. Many firms were unfamiliar about the types of benefits that they could offer. A few firms, both large and small, were studying or considering child care options for their employees at the time of the survey. Most firms expressed interest in receiving more information about child care in Milpitas and benefit options available to them.

Employee Needs. The limited employee survey conducted for this report highlights several key attributes of the child care usage patterns for employees in the area. First, the survey indicates the fact that a very high proportion of Milpitas workers come from outside the City. The respondents generally had household incomes lower than the Milpitas median; this was even true of the Milpitas residents who responded. Over half the households were two-parent households with both parents working, while one quarter were single-parent households. None of the households with only one working parent had incomes of \$50,000 or more.

Less than 10 percent of this sample used center-based care, a much smaller proportion than reported nationally. Care tended to be closer to the home than to the workplace; because of the residence of these respondents, this meant that less than one-third of these workers used child care in Milpitas. To some extent, though, this may be a function of the lack of appropriate care facilities near the workplace. For 47 percent of the children in responding households, the respondents stated a desire to use care near the workplace if it were available, suggesting that there is unmet demand for child care facilities in Milpitas being generated by Milpitas workers.

Generally, users were satisfied with the care their children were receiving. Among non-users, cost seemed to be the most important factor preventing use of child care. Only two of the five companies surveyed, covering 11 of the 26 employees, provided any kind of child care assistance. Provided assistance included DCAP, flex-time, and paid leave for employees seeking child care. Interestingly, at both companies there were respondents who did not know their employer provided some kind of assistance. Respondents had a variety of suggestions for how Milpitas employers could improve child care in Milpitas, with care on-site or near the workplace being the most common suggestion.

Provider Needs

Ten child care providers were interviewed as part of this study to ascertain their needs, areas of concern, and suggestions for ways to improve the Milpitas child care system.

The majority of respondents operated programs that were at capacity and had no plans to expand. With the exception of one program in the non-profit sector, few subsidized spaces were available among the respondent providers.

The providers indicated that finding substitute teachers and staff was a major problem for them. They also identified a range of other difficulties they face, including care for mildly ill children and assistance for parents who need help paying the fees.

The strategy most often suggested to meet provider needs was some type of a clearinghouse where parents and providers could gain access to a range of support services.

Demand Estimate

To adequately plan for child care in Milpitas, it is necessary to estimate child care needs both currently and for the future. Although the exact nature of child care demand in Milpitas cannot be stated, broad assumptions can be made based on 1990 Census information from Milpitas (including percent of working mothers and age of children), and from national surveys on child care utilization.

Demand for child care spaces is estimated to exceed supply for all age groups in Milpitas at this time. Demand for organized spaces for children under six currently exceed supply by over 200 spaces, and demand for spaces for school-age children exceeds supply by over 400 spaces. If no additional new spaces are added, it is estimated that by 1997 unmet demand will exceed supply by almost 375 spaces for children under six and over 525 spaces for children six through 12.

Barriers to the Provision of Child Care

Local Government Regulation and Fees. Zoning and related land use regulations can severely impact or encourage the provision of child care, particularly in a family home setting.

State law permits cities to allow small family child care homes (one to six children) "by right" in residential zones; this means that no notifications, hearings, or conditional use permits are

required for small family homes. Milpitas's zoning ordinance conforms with State law, and does not pose a barrier to start-up of small family homes.

For large family child care homes (seven to 12 children), Milpitas's zoning ordinance is unclear and could potentially pose a barrier to a child care provider. By State law, a city has three choices in terms of its zoning ordinance for residential zones. Large family child care homes can be permitted "by right"; they can be given a non-discretionary use permit (which is granted by the planning director without public hearing if certain conditions are met); or they can be required to obtain a conditional use permit (which requires neighbor notification and a public hearing). Large family child care homes are not specifically discussed in the Milpitas zoning ordinance. Instead, these facilities have been considered as "schools," which required to obtain a conditional use permit in all residential zones. Since the definition of "school" in the ordinance does not technically pertain to a family child care home, the situation is potentially unclear to a child care provider. To mitigate this, a revision of all residential zoning ordinances for Milpitas would be needed.

In Milpitas, the current business license fee structure is relatively moderate: home businesses, which would encompass small and large family child care facilities, are charged a flat \$25 annual fee. For child care centers, the business license fee is a flat \$35 per year plus an additional annual charge per employee; from one to 10 employees, there is a per-employee charge of \$5, and from 11 to 100 employees, the charge is \$1 per employee. Thus, a typical child care center with 12 employees would pay approximately \$95 per year. While the business license fee is not particularly onerous for child care providers in Milpitas, waiving the fee might eliminate a barrier to the provision of care.

The Economics of Child Care. In many communities, one of the major barriers to the expansion of child care supply, and even, in some cases, the retention of existing supply, is the cost from the provider's standpoint of operating a facility. The economic realities of providing child care generally result in businesses with zero or only marginal profitability. Since child care is a service, the primary cost of providing care is the cost of the labor (i.e., teachers and directors) within child care facilities. For child care, labor costs typically range from 70 to 90 percent of a center's operating budget. However, although the cost of labor is so significant, it is important to understand that child care workers generally receive wages at the very low end of the overall wage scale. According to the *National Child Care Staffing Study*, conducted by the Child Care Employee Project, on a national basis, the average wage for a child care worker is only 50 percent of the average wage for all female workers, and only 25 percent of the average wage of all male workers.

While this study did not directly research the economic situation for child care facilities in Milpitas, it is probable that pay scales are relatively low, as indicated by research in nearby areas. Child care is a difficult business; fees cannot be raised high enough in most cases to allow for the much-needed salary levels that are correlated with quality care. The result of this situation is that potential providers either do not start up, operating facilities shut down, or facilities pay their staff at levels that may result in a lower level of care than parents and children really need.

The relationships between labor costs, quality of care, and impact on expansion/retention in Milpitas have not been directly documented by this study. Nevertheless, these issues require further exploration and consideration as part of any city-sponsored child care strategy.

System Coordination and Organization. The nature of the Milpitas child care system and the needs of residents, employers, and employees described in this report underscore the situation experienced by many communities in California. Child care, which has grown as women have entered the labor force in ever-increasing numbers, has not been coordinated, regulated, or monitored in a manner comparable to many other social services such as health care. Instead, a myriad of local, regional, and state organizations have evolved over time to meet a variety of needs, resulting in a "patchwork" system which can be daunting to the families it ultimately serves.

There are two examples which illustrate the system's general lack of coordination and how it can create a barrier to provision of child care. In the realm of subsidized care for low income families, the variety of programs and funding sources as described in this report (albeit limited in their level of assistance offered) can be difficult to access for families with limited resources. At the other end of the spectrum, the services of the State-funded Resource and Referral agency, the 4-C Council, are not utilized to their fullest due to Milpitas's position as a relatively small community on the edge of a large county.

Conclusions

The findings of this Needs Assessment suggest that there is substantial unmet demand for child care in Milpitas. Discussions with local employers indicated that they are very interested in exploring child care assistance approaches with each other, the City, and providers. Employees would like more choices for work-based child care facilities, while providers see a strong need for more local resources to assist them and parents. All of these program directions have been followed by other cities in California; under direction of City Council, the next phase of this study will explore strategies which other cities have followed to augment their child care systems. The

next phase will also assess these strategies for their applicability to Milpitas, estimate their cost to implement, and provide a basis for community discussion.

APPENDIX B:
STRATEGIES TO IMPROVE THE CHILD CARE SYSTEM
(PHASE II)

1. Staff summary.
2. Needs Assessment Executive Summary

PHASE II: Strategies to Improve the Child Care System

OVERVIEW

This memo identifies the strategies suggested by Bay Area Economics and provides a staff recommendation. A summary of the consultants suggestions, and the corresponding staff recommendation is contained in summary form on Table I. The italicized sentences highlight some of the staff suggestions of practices and policies which can be implemented to improve the child care system.

LOCAL GOVERNMENT STRATEGIES

The City can elect to include child care as an optional element in the General Plan in the General Plan update. The option to pursue the formalization of City policy is dependent on whether the Council considers it prudent to link child care policy to land development issues. Historically, the policy approach the Council has taken has not tied social issues to land development issues.

ZONING/PERMITTING

The consultant recommends a review of all residential zoning ordinances in order to clarify possible inconsistencies. Staff acknowledges the inconsistencies. These ambiguities have not adversely impacted the development of child care opportunities in the past.

The consultant also suggests that waiving the Business License fee might encourage daycare. The current business license fees are minimal. Such a waiver, could be misinterpreted by the business community as favoritism for preferred types of business. The risk of antagonizing the business community does not equal the minor financial incentive such a waiver could provide.

PROVIDER START UP/EXPANSION ASSISTANCE

The consultant suggests that start up/expansion assistance could include production of a brochure describing the city's zoning/licensing procedures, assistance with loan applications, site location assistance and business planning/marketing help. Due to the fluctuating demand for such services and the lack of in-house expertise on some of these items, such services could be provided on a contract basis.

In most instances, the City Planning Division will assist applicants with zoning issues, and the Finance Department will assist any business license applicant with licensing questions. These procedures are in place and should continue. *A "how to" brochure would emphasize the importance of child care to interested parties.* Such a brochure would be approximately \$5,000. The brochure would enhance customer service to the community.

Due to the sporadic need for services such as assistance with loan applications and business planning/marketing help, the development and maintenance of in-house expertise would be difficult to provide. As Economic Development activities increase, this type of assistance may become more centralized within the City organization.

CHILD CARE COORDINATION

The consultant suggests that like many other Cities, Milpitas may want to add a child care coordinator to the City staff or contract out such services. The types of responsibilities that a coordinator would undertake include serving as a liaison to City departments and the business community, overseeing special programs and partnerships such as provider startup/expansion, a child care fund, and working with local programs on attaining accreditation.

An alternative is to expand the existing preschool coordinator position from 30 to 40 hours per week to oversee the activities listed above in addition to developing a stronger working relationship with the child care referral agencies and developing a pool of substitute teachers.

DEVELOPMENT IMPACT FEES

The consultant suggests that developer fees can be a source for funding a child care fund or a coordinator function.

Staff does not recommend the adoption of a developer impact fee. Developers can interpret the institution of such fees as specifically onerous with the effect of discouraging development.

DEVELOPMENT INCENTIVES

The consultant suggests that providing development incentives such as those allowed via AB 1828 is an affirmative method of encouraging onsite child care. AB 1828 provides authority to local governments to adopt ordinances establishing a density bonus for child care space provision.

Staff supports the affirmative methodology provided by development incentives but is concerned by the style of isolating such incentives to particular programs such as child care.

CHILD CARE FUND

The consultant suggests that the establishment of a child care fund could be effective in concert with other approaches. Such a fund could be used for a variety of projects or for direct subsidies.

The City currently designates \$5,000 of the \$35,000 Human Service program to child care. The City receives approximately \$20,000 annually in requests. *Increasing the designated \$5,000 to \$10,000 or \$15,000 would assist in addressing service improvements.*

CITY AS MODEL EMPLOYER

The consultant suggests that the Council may wish to pursue establishing Milpitas as a model employer. Model Employer programs include programs such as flextime, job sharing, telecommuting, Dependent Care Assistance Program, etc. The City currently offers several of these programs, but could explore other types of programs offered by businesses within the community.

The City currently provides a number of programs advantageous to employees with children. Further study would need to be done to determine specific additional programs which would be helpful to employees.

Staff recommends pursuing this strategy, perhaps in cooperation with other large employers within the City. The value of becoming a model employer includes modeling the commitment to other businesses within the City.

LOCAL GOVERNMENT CONTRACTOR PROGRAM

A local government contractor program would allow bonus points for bidders on City contracts. Both the consultant and City staff recommend against the implementation of such a program. Such bonus points can give a competitive edge to business proposals or bids which in terms of cost and quality would not otherwise merit such a competitive edge. Such programs function more successfully in much larger cities or counties, such as Los Angeles.

SPECIAL TAXES

The consultants reviewed this concept of direct taxation but recommends against its usage.

CITY AS PROVIDER OR PARTNER WITH OTHERS

The consultant suggests through a variety of approaches, the City can work towards increasing the availability of accessible and affordable quality child care to working parents. For example, the City currently contributes Leisure Services recreation staff to the School District's after school program at four sites.

The consultant recommends that the creation of a business consortium would provide a forum for sharing information regarding innovative and successful child care benefits and cooperatively pursuing larger programs. Staff recommends pursuing this alternative very judiciously, given the perception that with the City in a leadership role, there is a probability that significant financial assistance would be expected. This could be tied into the Model Employer program discussed above.

Bay

Area

Economics

2550 Ninth Street
Suite 202
Berkeley, CA 94710
510 549-7310
Fax 549-7028

**PHASE II REPORT:
MILPITAS CHILD CARE NEEDS ASSESSMENT
STRATEGIES TO IMPROVE THE CHILD CARE SYSTEM**

**Prepared For:
The Mayor and City Council
City of Milpitas**

**Prepared By:
Bay Area Economics
Freis & Miller**

May 1993

Bay

Area

Economics

2550 Ninth Street

Suite 202

Berkeley, CA 94710

510 549-7310

Fax 549-7028

May 19, 1993

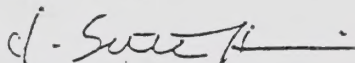
The Mayor and City Council
City of Milpitas
455 E. Calaveras Boulevard
Milpitas, CA 95035

Dear Honorable Mayor and City Council Members:

We are pleased to submit the enclosed Phase II of the Milpitas Child Care Needs Assessment regarding Strategies to Improve the Child Care System.

We look forward to your comments. Please feel free to call me anytime.

Sincerely,



Janet Smith-Heimer
Principal

Bay
■
Area
■
Economics

2550 Ninth Street
Suite 202
Berkeley, CA 94710
510 549-7310
Fax 549-7028

TABLE OF CONTENTS

INTRODUCTION	.1
LOCAL GOVERNMENT STRATEGIES	.2
Needs Assessments/Child Care Plans	.2
Child Care as Part of City Planning Process	.2
Zoning/Permitting	.4
Provider Start-Up/Expansion Assistance	.5
Development Impact Fees	.7
Development Incentives	.8
Child Care Fund	.8
City as Model Employer	.9
Local Government Contractor Programs	.9
Special Taxes	10
City as Provider or Partnership with Others	10
OTHER STRATEGIES	12
Business Strategies	12
Provider Strategies	13
SUMMARY OF STRATEGIES FOR MILPITAS	14
Low-Cost Options	14
Moderate-Cost Options	14

Bay

Area

Economics

2550 Ninth Street

Suite 202

Berkeley, CA 94710

510 549-7310

Fax 549-7028

INTRODUCTION

This report is Phase II of the Milpitas Child Care Needs Assessment, commissioned by the City of Milpitas as a first step in reviewing its child care system. Phase I, completed in June, 1992, evaluated the demand and supply of child care for children aged 0 to 12 in Milpitas now and for the next ten years.

This report provides an inventory of strategies that cities, businesses, and provider organizations in California have pursued to improve and/or expand the supply of child care in their communities. In order to assist with decision-making in Milpitas, strategies that have costs associated with them have been described in terms of those costs.

Research for this report included a review of numerous resource documents, city child care plans, and published reports describing the needs, strategies, and implementation programs for used by public and private organizations to improve child care throughout California. In addition, many of the cities described herein were contacted by Bay Area Economics to discuss the implementation of each strategy.

Bay

Area

Economics

2550 Ninth Street
 Suite 202
 Berkeley, CA 94710
 510 549-7310
 Fax 549-7028

LOCAL GOVERNMENT STRATEGIES

Needs Assessments/Child Care Plans

Many cities in California have undertaken Needs Assessments or Child Care Plans during the past five years including Sunnyvale, West Sacramento, Irvine, Davis, Fremont, Central San Mateo County, Palo Alto, Oakland, and Santa Monica.

Most of these documents devote considerable effort to assessing current need such as a description of the current supply, a demographic analysis, and perhaps a review of surveys of local businesses. Most of the Needs Assessments or Child Care Reports recommend undertaking a Plan as the next step.

The formal Plans range from statements of policies (e.g., "expand the supply of child care in our community") to more definitive strategic plans with specified actions, budgets, and time frames. Most of the possible strategies described below are included in many of these documents.

Several communities, including Fremont and Sacramento, have published updates on the status of their plan implementation. However, none of the plans reviewed established a regular cycle for updating either the planning or implementation effort.

Applicability to Milpitas. For Milpitas, the current Child Care Needs Assessment represents the first step in this process. If a task force is convened to formulate a strategy or plan, this effort will be complete.

Child Care as Part of City Planning Process

Many of the child care plans recommend that child care issues be given the same status as other social services within local government. One way to accomplish this is to integrate child care into the city planning process. This approach is especially important in cities with substantial growth and/or redevelopment opportunities such as Milpitas.

In accordance with California law, each city must prepare a General Plan, which is mandated to contain several Elements including a Housing Element, a Circulation Element, a Land Use Element, etc. Certain other elements are optional, and recent state law actually lists Child Care as an optional Element. Moreover, several California bills have recently been proposed which would make a Child Care Element a requirement of the General Plan.

Bay

Area

Economics

2550 Ninth Street
 Suite 202
 Berkeley, CA 94710
 510 549-7310
 Fax 549-7028

Several cities' child care reports recommended producing a Child Care Element as part of the General Plan in the future, incorporating policy statements, identification of possible locations for facilities through a specific General Plan land use designation category, and program descriptions. A related approach recommended by many child care advocates is to revise other General Plan elements that relate to child care (e.g., Circulation, Land Use, and Housing) in order to incorporate policies and programs into them.

Research for this study uncovered several Child Care Elements which have been incorporated into the General Plans of cities including West Sacramento, Susanville and Escondido. However, a review of these documents indicated that they do not deal with land use designations for particular sites or other physical issues; rather, the Child Care Elements cover many of the same general topics as the other child care reports reviewed for this study.

There are several other ways which child care can be incorporated into the city planning process. Development agreements, which are typically used by cities to negotiate developer contributions and dedications on a case-by-case basis, have been used to exact child care monies or facilities. The Child Care Law Project also recommends that child care advocates become involved in the environmental review process (EIR) in order to comment on the child care impacts of proposed development projects. This EIR process, by law, must attempt to mitigate documented impacts; possibilities exist for realizing developer contributions to a child care system via the EIR process (see Coordinator discussion below).

Finally, Los Angeles has linked child care to the Redevelopment planning process, requiring that redevelopment projects (city-sponsored projects in blighted areas) address the need for child care. This type of strategy is important to consider because it interfaces well with those occasions when the local government is actually serving as a member of a development team and can directly influence what type of facilities are developed.

Applicability to Milpitas. Conversations with the City Planning Department have confirmed that Milpitas will undertake a General Plan update beginning in the Fall of 1993. A Child Care Element describing policies, programs, the supply of child care, and even a land use designation for particular locations could be incorporated into this process. To begin the process, City Council could direct staff to incorporate a Child Care Element into the General Plan update. Parts of the Phase I study could be used to formulate a Child Care Element for the Milpitas General Plan. The primary benefit of this approach to the City is to take a formal policy approach toward the goal of improving and expanding child care services in Milpitas, as well as linking that policy to its overall land use planning.

2550 Ninth Street
Suite 202
Berkeley, CA 94710
510 549-7310
Fax 549-7028

The cost to the City of Milpitas for incorporating child care into its General Plan update process would be negligible if completed as part of an overall Plan update process.

Exactions in the form of developer agreements to provide child care facilities have not been utilized to date in Milpitas. With several large commercial projects still in the planning stages, this strategy could be implemented on a case-by-case basis. The cost to exact child care would be borne by the developer, but may constitute an indirect cost to the City in terms of lessening developer interest in building projects in Milpitas.

Zoning/Permitting

The issue of zoning and related land use regulations can severely impact the provision of child care, particularly in a family home setting. In California, legislation enacted in 1986 has served to clarify certain aspects of zoning law related to family homes. Small family homes (one to six children) are permitted "by right" in all residential zones; this means that no notifications, hearings, or use permits can be required for small family child care homes.

Large family homes (7 to 12 children) can be treated in one of three ways by cities in California: they can be permitted "by right" in residential zones, they can be given a non-discretionary permit (granted by planning director without public hearing if certain conditions are met), or they can be required to obtain a conditional use permit (requires neighbor notification and public hearing). The choice of requiring a conditional use permit can result in delay, expense, confusion, and potential denial of the project. Child care advocates tend to discourage the conditional use permit approach, due to these constraints on the expansion of child care supply.

In Milpitas, the zoning ordinances currently in force are unclear with respect to how large family child care homes are permitted. According to the planning department, for all residential zones, large family child care homes are not specifically discussed in the zoning ordinance. Instead, these facilities have been considered as "schools," which are required to obtain a conditional use permit in all residential zones. However, it should be noted that the definition of "school" contained in the City's zoning ordinance does not technically pertain to family child care homes, rendering the situation potentially unclear to a child care provider wishing to start a large family child care home.

Interestingly, Milpitas zoning ordinance allows large family day care homes "by right" in the C-2 (community commercial) zone. However, in other commercial zones such as C-1 (neighborhood commercial) and CO (administrative/professional offices), the language of the ordinance suggests

Bay

Area

Economics

2550 Ninth Street
Suite 202
Berkeley, CA 94710
510 549-7310
Fax 549-7028

a non-discretionary use permit process. In the TC (town center) zone, all land uses require a conditional use permit, including all types of child care facilities.

The allowance of family child care homes in any commercial zones is not typical in other cities, especially on a "by right" basis such as that permitted in the C-2 zone in Milpitas. Thus, the City's commercial zone regulatory structure is supportive of child care facilities in a way that most other cities are not.

Business licenses including payment of business license fees are also often required of family home operators. This requirement has been waived in several cities throughout California as a strategy to encourage expansion of the child care system.

In Milpitas, the current fee structure is relatively moderate: home businesses, which would encompass small and large family child care facilities, are charged a flat \$25 annual fee. For child care centers, the business license fee is a flat \$35 per year, plus an additional annual charge per employee; from one to 10 employees, there is a per-employee charge of \$5, and from 11 to 100 employees, the charge is \$1 per employee. Thus, a typical child care center with 12 employees would pay approximately \$95 per year.

Applicability to Milpitas. To mitigate the current zoning situation in Milpitas, a revision of all residential zoning ordinances would be needed in order to specify the use of large family child care homes, and provide language for a non-discretionary use permit process. Additionally, while the business license fee is not particularly onerous for child care providers in Milpitas, waiving the fee might eliminate a barrier to the provision of care.

Provider Start-Up/Expansion Assistance

In communities where supply of child care is of major concern, special programs to assist providers with start-up or expansion have been implemented, typically via the Child Care Coordinator mechanism described below.

The start-up of a family home or child care center requires numerous business skills and familiarity with a variety of zoning and licensing regulations. These obstacles to start-up can severely constrain the expansion of a community's child care supply. Start-up/expansion assistance, therefore, can take a variety of forms including production of a brochure describing the city's zoning/licensing procedures, assistance with loan applications, site location assistance, and business planning/marketing help.

Bay

Area

Economics

2550 Ninth Street

Suite 202

Berkeley, CA 94710

510 549-7310

Fax 549-7028

For example, Resources for Family Development under contract to the City of Pleasanton, recently completed a start-up assistance brochure. Contract costs were approximately \$4,000 (printing costs not included).

Applicability to Milpitas. Start-up/expansion assistance, can take a variety of forms including production of a brochure describing the city's zoning/licensing procedures, assistance with loan applications, site location assistance, and business planning/marketing help. Milpitas could provide some form of assistance for the start-up/expansion of child care facilities to meet existing and future child care demand. The costs for this type of assistance would vary; services could be provided by contract.

Child Care Coordination

A city-sponsored child care coordinator has been recommended by many cities' plans, and has been implemented in a variety of ways throughout California. Currently, there are over 45 cities with Child Care Coordinators statewide (e.g., Santa Clara County, Alameda County, Contra Costa County, City of San Jose, City of Sunnyvale, City of Palo Alto, City of Oakland, City of San Leandro, City of Davis, City of Sacramento, and State of California for its own employees). Basically, the child care coordinator is a person responsible for implementing local government policies and programs; the person can either be an existing staff member with other responsibilities or an addition to staff. Child care coordinators can be full- or part-time city staff, or can be hired on a contract basis.

Child care coordinators can serve many functions. In the cases of integrating child care into the city planning process, the environmental review/planning review/developer negotiation functions can be overseen by the coordinator. In addition, the coordinator often serves as a liaison to other city departments and the business community, providing education and referral services on employee benefits, etc. Further, the coordinator can oversee special programs and partnerships undertaken by the local government such as provider start-up/expansion, a child care fund, and an accreditation program. The cost of hiring a facilities child care coordinator can range from \$40,000 to \$60,000, plus overhead. A part-time coordinator, which would probably suffice for Milpitas, would cost less than full-time staff; the exact cost would depend on the range of responsibilities and time commitment.

As a lower cost alternative to hiring a staff coordinator directly, some cities have contracted with their local Resource and Referral Agency to provide coordination services. For example, Resource for Family Development preforms certain coordination functions for the cities of Pleasanton and Livermore through contractual arrangements.

Bay

Area

Economics

2550 Ninth Street

Suite 202

Berkeley, CA 94710

510 549-7310

Fax 549-7028

In previous years the Santa Clara County Office of Education operated child care coordination services through a United Way grant. These services included assisting newly forming childcare facilities through the local planning process and working with community colleges to provide courses for child care training. Although funding to provide these services has been discontinued, the Santa Clara Office of Education has expressed interest in contracting with local agencies to again provide these services.

Applicability to Milpitas. Due to the relatively small size of the City of Milpitas a part-time child care coordinator could be an effective way to implement recommended programs. Contracting out coordination of child care services through a Resource and Referral organization or the County Office of Education would be another feasible alternative for the City of Milpitas.

Development Impact Fees

Development fees are the "stick" approach to land development regulation; this method is used by many cities in California to obtain funds for streets, parks, public art, and affordable housing.

San Francisco and Concord have pioneered the effort to link development to fees for child care. In Concord, a 0.5 percent of value fee is charged for most large new development projects for the purpose of improving the quality of child care available. To date these funds have been used to make child care more accessible for special needs children through scholarships, provider training, and referral services. In San Francisco, a linkage fee for child care charged to office developers that was implemented several years ago received national press; however these funds have only recently been appropriated to a vander voucher program. This program will serve low income families seeking child care for children under two years of age.

Contra Costa County has taken a slightly different tack with this type of strategy. The County requires that all new developments (commercial and residential) over thirty units in size prepare a Child Care Needs Assessment in order to determine the need for child care generated by the project proposal. The developer must then mitigate the identified need by either building facilities or assisting child care providers with facility construction/expansion. In September 1992, this ordinance was revised and currently requires all projects under thirty units (commercial and residential) to pay a fee of \$400 per unit built to increase the child care supply through construction or expansion of child care facilities.

Applicability to Milpitas. Milpitas continues to grow with substantial new development planned for the future. Thus, developer impact fees could generate needed funding for child care

Bay

Area

Economics

2550 Ninth Street
Suite 202
Berkeley, CA 94710
510 549-7310
Fax 549-7028

programs in Milpitas. If a child care impact fee were adopted, the program would require administration by City staff and community input for expenditure planning.

Development Incentives

Development incentives are a "carrot" approach to facilitating an expanded child care system. Cities such as Los Angeles have encouraged child care by offering developers a density bonus (more square feet of development than would otherwise be permitted), waiving development or permit fees (which can be thousands of dollars) if child care is provided, and waiving parking requirements for projects in downtown locations (parking in garages is typically a major development cost which developers are delighted to minimize).

A recent piece of state legislation, AB 1828, enacted enabling legislation which permits local governments to pass ordinances establishing a density bonus for child care space provision. This type of legislation is explicitly modelled on affordable housing legislation, which provides for a density bonus in residential projects if a certain number of affordable units are included. For child care, the density bonus is for buildings over 50,000 square feet, and permits up to 10 additional square feet of development for every one square foot of child care space provided, subject to certain size and licensing standards. This legislation is important because it provides an explicit encouragement by the state to local governments to use their regulatory powers to expand the child care system.

Applicability to Milpitas. This strategy could easily be applied to Milpitas. Costs to implement this type of program are minimal. Additionally, Milpitas has room to grow and density bonuses or other developer incentives are feasible options.

Child Care Fund

A Child Care Fund is a way to centralize funds that are derived from multiple funding sources at the State, County, local, and/or non-profit level. This fund can be used for a variety of programs or can provide direct subsidies to income-eligible or at-risk families. Many cities' plans recommend implementation of a Child Care Fund. Contra Costa County has successfully established a Fund targeted to providing subsidies to low-income families. Funding sources for the Contra Costa County Fund include the State Department of Education, Community Development Block Grant monies, foundation grants, and private or public donations. In Palo Alto, a Child Care Scholarship Fund has been recently established with a grant from the Buck Trust Fund and matching funds from private donations and corporate sponsorship. The

Bay

Area

Economics

2550 Ninth Street
Suite 202
Berkeley, CA 94710
510 549-7310
Fax 549-7028

scholarships will provide vouchers to needy working families to pay for care at any licensed facility meeting their needs.

Applicability to Milpitas. This approach could be used in Milpitas if a comprehensive strategy to child care planning were adopted.

City as Model Employer

Local governments can serve as model employers to encourage child care provision. Efforts used by cities around the state includes on-site child care centers (State of California requires on-site facilities for all of its new office buildings with more than 700 employees), benefit plans, subsidies, flex-time, etc. Davis and Los Angeles in particular have focuses much of their plan implementation efforts on making their own organizations into model employers.

In Santa Clara County, the City of Sunnyvale is a model employer. The City contracts with a private firm, Choices for Children, to provide enhanced child care referral services to their employees.

Applicability to Milpitas. The City of Milpitas has already undertaken several actions which form the basis for this approach. For example, a Dependent Care Assistance Program (DCAP) is in place as an employee benefit option. Flex-time arrangements have been made when possible; certain contract provisions and other labor regulations override flex-time arrangements for some City staff. The City of Milpitas could implement a more comprehensive program to become a Model Employer. Further research would be necessary to establish the extent of child care needs by City employees.

Local Government Contractor Programs

This concept is a particularly interesting approach. Working from the idea that local governments can influence the private sector by their own purchasing power for goods and services, Los Angeles and Alameda County have implemented contractor programs. These programs involve surveys, educational materials, and even a bonus system for those private businesses that can demonstrate attention to child care on behalf of their employees (Los Angeles only). The incentive is that those companies with child care programs are awarded bonus points in the contract bidding process, enabling them to secure contracts over companies without such child care programs.

2550 Ninth Street
Suite 202
Berkeley, CA 94710
510 549-7310
Fax 549-7028

Applicability to Milpitas. Due to the relatively small size of the City, this strategy may not be feasible.

Special Taxes

Fremont is a good case study of this concept - the direct taxation of residents and businesses to support child care programs at the local level. Unfortunately, the Fremont tax proposal for resident taxation was defeated at the ballot box in 1989, sending a message around the state that residents were not willing to provide direct monetary support for child care.

Applicability to Milpitas. Given current public opinion regarding new taxation proposals, it is not likely that this approach would be applicable to Milpitas.

City as Provider or Partnership with Others

A city, through its officers, departments, and officials can take an active role in the promotion and development of cooperative relationships with parents, employers, child care professionals, the school district, organizations, businesses, educators, community leaders, and government officials. The common goal in such partnerships is to increase the availability of accessible and affordable quality child care to working parents.

Los Angeles has funded LA's BEST, an after-school education and enrichment program on school sites and formed a City/federal partnership to establish a child care center on City Hall grounds for the children of City and federal employees.

The most common form of partnership to date has been between local governments and school districts, primarily for the purpose of operating after-school care programs. Schools can either lease space, provide ground for portables, or by contract with cities to operate programs on school sites. The City of Milpitas is an example of this kind of partnership through its contribution of City Leisure Services Department recreation staff to the School District's after-school program, housed at four school sites.

In the City of Pasadena, a partnership between local government and local businesses was created through the Business Child Care Consortium. Developed with a planning grant from the State Department of Education, this consortium was devised to support Pasadena businesses in the development of family and dependent care services for employees and residents. The Consortium holds breakfast meetings and has toured both on- and near-site employer-related child care

Bay

Area

Economics

2550 Ninth Street
Suite 202
Berkeley, CA 94710
510 549-7310
Fax 549-7028

centers in the Pasadena area. A quarterly newsletter is sent to Business consortium members with information on business and child care. Additionally, the Business Consortium has planned joint parent support/education classes and lunch-time child care forums for employees. The member companies contribute to the costs of the presentations. The City of Pasadena hired a consulting firm to develop the business consortium and prepare all related brochures and materials. Estimated consultant costs were \$25,000, paid for through a planning grant from the State Department of Education.

Applicability to Milpitas. A business consortium of major Milpitas firms could be a good strategy for addressing child care needs in Milpitas. During the employer survey conducted for Phase I of this Study, many firms in Milpitas expressed an interest in responding to employee child care needs, but needed more information and guidance. Additionally, some businesses in Milpitas currently provide innovative and successful child care benefits, which other businesses might be interested in modeling. Thus, a business consortium would create a partnership between the City and major firms in Milpitas to better respond to child care needs.

Bay

Area

Economics

2550 Ninth Street
Suite 202
Berkeley, CA 94710
510 549-7310
Fax 549-7028

OTHER STRATEGIES -

There are numerous strategies to enhance the Milpitas child care system which can implemented by local businesses or providers, and could be encouraged by City actions.

Business Strategies

For businesses, these strategies include provision of on-site or near-site child care facilities (e.g., near office buildings or industrial areas); flexible benefits such as Dependent Care Assistance Program, cafeteria plans, flextime, parental leave, etc.; direct monetary assistance to pay for a portion of child care costs; and direct grants to resource agencies.

There are numerous kinds of tax incentives which can also spur employers to provide child care system enhancement. For example, in addition to the DCAP program, employers can earn tax credits by contributing to California Child Care Resource and Referral agencies; this credit can be as much as 30 percent of the contribution up to \$50,000. Businesses can also earn tax credits by providing monetary assistance towards the start up expenses of establishing a child care center or constructing a facility.

Businesses have also collaborated to improve child care facilities. For example, IBM initiated a collaboration of private and public firms, the American Business Consortium, to help expand and fund new child care facilities nationwide. Santa Clara County is one of 44 areas nationwide with an operating branch of this group. In Santa Clara County, the American Business Consortium is currently funding the construction and start-up of two child care facilities, one in San Jose and one in Sunnyvale.

In Santa Clara County, The Manufacturing Group, is a private public policy trade association, with a special task force on dependent care assistance. Membership is open to most businesses in Santa Clara County, with the exception of consulting groups, developers, retail businesses and law firms. This group focuses on public policy education and develops new policy recommendations in support of member business needs. The dependent care task force group meets monthly. These meetings are geared towards education regarding existing policies and lobbying in response to local policy proposals. Approximately once a year a seminar is held for the entire membership and some outside businesses focusing on dependent care.

Applicability to Milpitas. The City of Milpitas can encourage businesses to pursue these strategies through holding meetings and educational programs. A third Phase of this Study

Bay

■
Area■
Economics

2550 Ninth Street
Suite 202
Berkeley, CA 94710
510 549-7310
Fax 549-7028

involving formation of a Task Force including City elected officials, business representatives, school district, and provider representatives to discuss the options, could be implemented. The formation of such a Task Force is a first step toward providing City encouragement of private sector initiatives in a low-cost manner. The Task Force could elect to become involved with the American Business Consortium that is already actively developing child care facilities in Santa Clara County. The Milpitas Task Force could also elect to become directly involved in the Santa Clara County Manufacturing Group's special task force on dependent care.

Provider Strategies

Strategies which have been implemented directly by providers, provider organizations, and/or resource agencies include formalized accreditation programs; a family child care network to provide training, respite for providers, and substitutes; and pooling of financial resources to maximize the cost-effectiveness of purchasing goods and services such as liability insurance and supplies.

In some communities, provider of strategies can have an enormous impact on the amount, quality, and cost of child care. In particular, an accreditation program, which can be linked to one of several such programs organized on a national level by provider organizations, can spur local providers to voluntarily meet certain standards of care designed to promote quality. These kinds of accreditation programs can be inexpensive to implement, and can also be useful for the recipients in their marketing efforts.

Within Santa Clara County, the City of Sunnyvale is using a grant from Mervyn's to reimburse child care centers that receive accreditation from the National Association for the Education of Young Children for their accreditation costs. Recently, family child care facilities were added to this reimbursement program.

Applicability to Milpitas. Many of these provider strategies could benefit the providers in Milpitas. They should be explored in more detail if the third Phase of this Study, a Milpitas Task Force, is activated.

Bay
■
Area
■
Economics

2550 Ninth Street
Suite 202
Berkeley, CA 94710
510 549-7310
Fax 549-7028

SUMMARY OF STRATEGIES FOR MILPITAS

It is recommended that the third Phase of this Study, formation of a Milpitas Child Care Task Force bringing together local businesses, provider representatives, City staff, and elected officials, be convened to further discuss options for a Milpitas Child Care Strategy. The following summarizes the types of actions described in this report in terms of their cost to the City of Milpitas.

Low-Cost Options

Many of the ideas contained herein would incur little or no cost to implement. These options include:

- Integration of child care into the General Plan update process
- Incorporation of child care impacts into major project review
- Exactions/developer agreements to provide child care facilities or services as part of new projects
- Revision of zoning ordinances
- Limited provider start-up/expansion services
- Enaction of a density bonus for child care space provision
- Part-time or contractual child care coordinator
- City as Model Employer
- More active involvement with existing County groups (Manufacturing Group, American Business Consortium)
- Active education program to stimulate business and provider actions

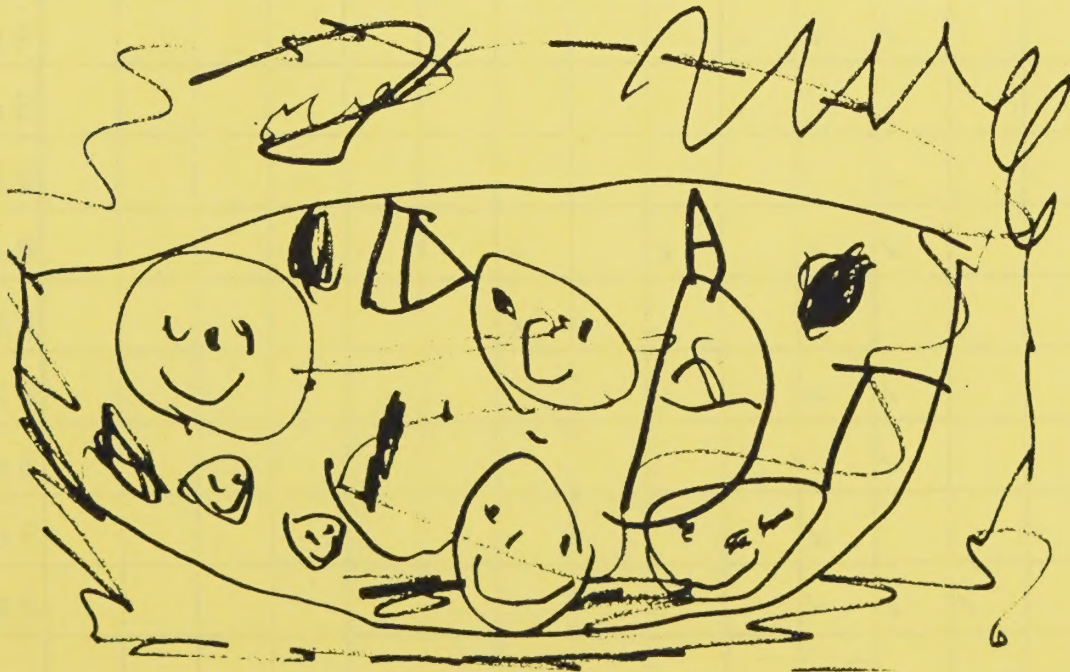
Moderate-Cost Options

- Partnerships with school district for services or facilities
- Full-time child care coordinator (not recommended due to small size of Milpitas)
- Development Impact Fee program
- Specialized local resource and referral

* * *

City of Milpitas Child Care Task Force Meeting Attendance 1999-2002

Manu
5



City of Milpitas Child Care Task Force

Meeting Attendance

Meeting Date	Nov. 30 '99	Jan. 19 '00	Feb. 16 '00	Mar. 15 '00	Apr. 26 '00	May 17 '00	Jun e21 '00	July 19 '00	Aug. 16 '00	Sep 13 '01	Sep 20 '01	Sep 27 '01	Oct 4 '01	Oct 11 '01	Nov 15 '01	Dec. 13 '00	Jan 17 '01	Feb. 21 '01	Mar 21 '01	Apr. 25 '01	May 16 '01	Jun 20 '01	Feb 13 '02	Tot als
Gloria Anaya (C of M)																✓								1
Don Bachman (C of M)											✓													1
Dianna Ballest- eros (Cisco F.C.)															✓								✓	2
Joyce Barker (DSS)																			✓	✓				2
Allison Barnett (Dutra's office)												✓	✓											2
Debbie Beckler (Tri-Cities)																✓	✓	✓		✓	✓	✓		6
Joe Candel- aria (C of M)					✓	✓																		2
Julie Castro (Parent)											✓	✓	✓	✓	✓		✓	✓		✓			✓	9
Sharon Chand (C of M)						✓				✓	✓	✓	✓	✓		✓								7
Jessica Chuang (4Cs)								✓	✓															2
Sergio Dela Croche (Provider)	✓	✓		✓	✓	✓			✓	✓		✓			✓	✓								10
Patricia Dixon (City Council)	✓		✓	✓		✓	✓		✓	✓	✓	✓		✓			✓	✓	✓	✓	✓	✓	✓	17
Stephanie Dunn (Sunnyhills CDC)	✓																							1
Jose Esteves (City Council)											✓													1
Lois Evans (Milp. Montessori)	✓		✓	✓					✓		✓	✓			✓									7

Meeting Date	Nov. 30 '99	Jan. 19 '00	Feb. 16 '00	Mar. 15 '00	Apr. 26 '00	May 17 '00	Jun e21 '00	July 19 '00	Aug. 16 '00	Sep 13 '01	Sep 20 '01	Sep 27 '01	Oct 4 '01	Oct 11 '01	Nov 15 '01	Dec. 13 '00	Jan 17 '01	Feb. 21 '01	Mar 21 '01	Apr. 25 '01	May 16 '01	Jun 20 '01	Feb 13 '02	Tot als
Dale Flunoy (C of M)					✓	✓		✓			✓	✓	✓											6
Wilma Gold (Bright Horizons)	✓	✓		✓	✓																			4
Bonnie Greiner (C of M)				✓						✓			✓				✓			✓		✓	✓	7
Marsha Grilli (MUSD)		✓	✓			✓		✓		✓	✓	✓		✓	✓	✓	✓		✓	✓	✓		✓	15
Jim Hopper (DSS CC Licensing)											✓	✓												2
Jennifer Hulbert (WATCH)											✓	✓												2
Odilia Kalin (4Cs)																		✓	✓	✓	✓	✓	✓	6
Barbara Kasnic (DSS then Comm. Rep.)				✓						✓	✓													3
Perla Kohs (MUSD)	✓		✓	✓	✓	✓				✓				✓										7
Colette Kudumu (4Cs)									✓															1
Rochelle Leggett (Milp. Christian)																	✓							1
Toby Librande (C of M)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	23
Michael Lopez (C of M)	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓		✓	✓			✓		17
Steve Mc Elroy (PRCRC)	✓					✓																		2
Yollette Merritt (Comm. Rep. & Cahs F.I.)																				✓	✓	✓		3
Paul Miller (Tri-Cities)																✓								1

Meeting Date	Nov. 30 '99	Jan. 19 '00	Feb. 16 '00	Mar. 15 '00	Apr. 26 '00	May 17 '00	Jun e21 '00	July 19 '00	Aug. 16 '00	Sep 13 '01	Sep 20 '01	Sep 27 '01	Oct 4 '01	Oct 11 '01	Nov 15 '01	Dec. 13 '00	Jan 17 '01	Feb. 21 '01	Mar 21 '01	Apr. 25 '01	May 16 '01	Jun 20 '01	Feb 13 '02	Tot als
Zeya Mohsin (Parent)															✓			✓		✓	✓	✓	✓	6
Michelle Nguyen (Choices)												✓												1
Eliren Pasion (C of M)									✓		✓													2
Dawn Perry (PTRAC then CFS)	✓	✓		✓			✓			✓		✓					✓							7
Trini Pham (4Cs)						✓																		1
Althea Polanski (MUSD)	✓		✓	✓		✓					✓	✓					✓	✓	✓	✓	✓	✓		12
Chrissy Rodriguez -Vigil (C of M)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	22
Misty Rose (4Cs then KidCentric)	✓		✓	✓		✓		✓	✓					✓	✓					✓				9
Marina Rush (C of M)		✓	✓	✓	✓	✓	✓					✓			✓	✓	✓	✓	✓	✓	✓			14
Elaine Sabo (Provider)		✓	✓	✓																				3
Kari Sawyer (C of M)								✓	✓		✓													3
Marsha Schneider (C of M)	✓	✓		✓	✓			✓	✓	✓	✓	✓	✓	✓		✓								12
Darcus Simmons (C. of Sunnyvale)																				✓				1
DeEtte Starr (CalHills)							✓																	1
Marilyn Starr (Milp. Christian)	✓	✓	✓		✓	✓										✓								4
Mindy Stewart(4C s then KidCentric)		✓		✓	✓	✓				✓	✓	✓		✓	✓					✓		✓		11

Meeting Date	Nov. 30 '99	Jan. 19 '00	Feb. 16 '00	Mar. 15 '00	Apr. 26 '00	May 17 '00	Jun e21 '00	July 19 '00	Aug. 16 '00	Sep 13 '01	Sep 20 '01	Sep 27 '01	Oct 4 '01	Oct 11 '01	Nov 15 '01	Dec. 13 '00	Jan 17 '01	Feb. 21 '01	Mar 21 '01	Apr. 25 '01	May 16 '01	Jun 20 '01	Feb 13 '02	Tot als
Phyllis Stewart-Pires (Cisco)															✓									1
David Tilley (C of M)	✓																							1
Kimela Tolbert (ESO)	✓	✓		✓																				3
Carmen Valdez (C of M)		✓	✓	✓	✓		✓	✓		✓	✓		✓	✓	✓		✓		✓	✓		✓	✓	16
Danielle Waite (Tri-Cities)								✓																1
Kathleen Yurchak (C of M)						✓																		1

City Of Milpitas Employee Child Care Survey Results 1997

Gail Christopherson
City of Milpitas Child Care Coordinator



CHILD CARE SURVEY RESULTS

1997

Child Care Surveys were distributed to 577 employees on July 8, 1997. This number of employees represents the total number of City employee positions (including full-time, part-time, permanent, and temporary) at the time of distribution. Below is the total number of surveys returned by August 4, 1997.

577 TOTAL # DISTRIBUTED / # OF EMPLOYEE POSITIONS ON JULY 8, 1997
206 TOTAL # RETURNED
36% TOTAL % RETURNED

Below is the total number and percentages of both "yes" and "no" responses to the survey's initial question, "Would you utilize child care services provided by the City?"

<u>76</u> YES <u>13%</u> OF EMPLOYEES <u>37%</u> OF RETURNED SURVEYS	<u>130</u> NO <u>23%</u> OF EMPLOYEES <u>63%</u> OF RETURNED SURVEYS
---	---

****Below are the totals for each survey question (please refer to the attached survey):**

1. Total number of children to be served at present time: 104
 Mean # of children: 1.37 (= approx. 1.5 children per family)
 Range # of children: 0 -3
 Mode # of children (high to low): #1 (39 responses), #2 (21...), #0 (12...), #3 (4...)

From parental response, mothers responding were ranked first; fathers ranked second.

2. Relationship:	Number of Responses	<u>% YES's</u>	<u>%Ret.'d</u>	<u>%All Employees</u>
<u>37</u> Mother		49%	18%	6%
<u>23</u> Father		30%	11%	4%
<u>6</u> Grandparent		8%	3%	1%
<u>2</u> Family Relative		3%	1%	<1%
<u>1</u> Other		1%	<1%	<1%
<u>7</u> No Answer Given		9%	3%	1%

Currently 63% of the children needing care are age 4 and under. Of these children 34% are infants (under 2 years of age). Young school age children (ages 5-9) totaled 42% of the children needing care.

3.	Ages:	Number of Responses	<u>SIGNIFICANT AGE GROUPS</u>
*	<u>25</u>	Newborn (0-1, including unborn)	Below are the 5 most frequently recorded age groups in terms of % of total children to be served: <u>24%</u> age 0-1 <u>12%</u> age 4 <u>11%</u> age 3 <u>10%</u> age 1 <u>8%</u> ages 2, 5, 9
*	<u>10</u>	1 year	
*	<u>8</u>	2 years	
*	<u>11</u>	3 years	
*	<u>12</u>	4 years	
*	<u>8</u>	5 years	
	<u>3</u>	6 years	
	<u>5</u>	7 years	
	<u>6</u>	8 years	
*	<u>8</u>	9 years	
	<u>2</u>	10 years	
	<u>1</u>	11 years	
	<u>2</u>	12 years	
	<u>3</u>	No Answer Given	

Above are the totals of various age groups requiring care for 1997. However, projecting into the future, the percentages of children in the significant age groups (top 5 highest reported age groups) will either increase or decrease. Below are 2 five-year increments reflecting these age group changes in order of significance.

Year <u>1997*(now)</u>	Year <u>2002</u>	Year <u>2007</u>
age: 0-1	5 yrs.	10 yrs.
age:4	9 yrs.	14 yrs.
age:3	8 yrs.	13 yrs.
age:1	6 yrs.	11 yrs.
age:2,5,9	7,10,13 yrs.	12,15,18 yrs.

This year's children *age 4 and under* will all be *young school age* in the year 2002. Although each year's demographics change, it may be anticipated that the majority of children to be served during any given year would center around ages 0-5.

4. 19 Home 42 Work 9 Either 6 No Answer Given

5. 39 Yes 29 No 8 No Answer Given

Below are the drop-off and the pick-up times parents requested for child care based on their work schedules. The majority of parents require an 8:00 am drop-off time with a 5:00 pm pick-up time. ***24 Hour Care** refers to the needs of both Fire and Police Department staff who are often on call 24 hours a day. ****Schedule Varies** refers to staff who are required to rotate their work schedule on a bi-annual basis.

6.	DROP-OFF		Number of	PICK-UP		Number of
	Hours:		Responses			Responses
	5	am	<u>1</u>	1	pm	<u>1</u>
	5:30	am	<u>2</u>	2	pm	<u>1</u>
	6	am	<u>4</u>	2:30	pm	<u>2</u>
	6:30	am	<u>4</u>	3	pm	<u>2</u>
	7	am	<u>11</u>	3:30	pm	<u>1</u>
	7:30	am	<u>5</u>	4	pm	<u>3</u>
	*8	am	<u>14</u>	4:30	pm	<u>4</u>
	9	am	<u>4</u>	*5	pm	<u>15</u>
	11	am	<u>1</u>	5:30	pm	<u>8</u>
				6	pm	<u>12</u>
				6:30	pm	<u>1</u>
				7	pm	<u>1</u>
				8:30	pm	<u>1</u>
	*24 Hour Care		<u>7</u>			
	**Schedule Varies		<u>4</u>			
	No Answer Given		<u>15</u>			

43% of the surveyed parents requested full-time child care and 51% require care Monday - Friday. A few parents requested either part-time or weekend care.

7.	Days of week:	Number of Responses	Number of Responses	Number of Responses
	*50 M	<u>1</u>	1 day/wk.	<u>20</u> PT
	*51 T	<u>3</u>	2 days/wk.	*33 FT
	*54 W	<u>4</u>	3 days/wk.	<u>14</u> Varies
	*53 TH	<u>7</u>	4 days/wk.	<u>7</u> No Answer Given
	*48 F	*43	5 days/wk.	
	<u>7</u> S	<u>0</u>	6 days/wkk.	
	<u>5</u> Su	<u>5</u>	7 days/wk.	

8. Amount of \$ spent each month: \$463 mean
\$1200 highest amount recorded
\$60 lowest amount recorded
\$480 median
\$400 mode (8 responses)
\$500 (5 responses), \$300 & \$100 (3 responses),
\$600 (2 responses)]
- 33 No Answer Given (reflects various situation; e.g., unborn child, unknown due to family providing child care, or comments "too much" written instead of amount)

9. Special care needs: 1 Yes 63 No 12 No Answer Given

In view of the 6:00 pm pick-up time requested by most parents, 57% of the parents requested flexible pick-up hours due to unplanned / late meetings or other related work duties. Day care for preschoolers (age 2-5) was the second most requested type of care. Back-up care, requested by 45% of the parents, was largely in response to sudden work schedule changes or due to the regular provider becoming ill. The rest are ranked in a downward order based on the number of requests provided.

10. Types of care needed:

Number of
Responses

- | | |
|---|---------------------------|
| <u>43</u> Flexible Pick-up Hours | <u>13</u> No Answer Given |
| <u>35</u> Day Care for Preschoolers (2-5) | |
| <u>34</u> Back-up Care | |
| <u>32</u> Early Drop-off Hours | |
| <u>25</u> Infant Care (0-2) | |
| <u>21</u> P.M. Care | |
| <u>20</u> Sick Care | |
| <u>20</u> Before & After School Care (school age) | |
| <u>18</u> Preschool With Day Care | |
| <u>15</u> Transportation to Preschool / School | |
| <u>13</u> Weekend Care | |
| <u>12</u> Part-day Day Care for Kindergarten | |
| <u>10</u> Summer Program Without Care | |
| <u>7</u> Overnight Care | |
| <u>3</u> Preschool Without Day Care | |

More than half of the parents expressed an interest in resources on child development and parenting skills for all age groups.

11. Desire for Resources: 39 Yes 25 No 12 No Answer Given

80% of the parents who responded to this survey were both permanent and full-time employees.

12. Perm. Employee: 64 Yes 4 No 8 No Answer Given

13. Full-time Employee: 61 Yes 7 No 8 No Answer Given

Just over a third of the parents wrote additional comments regarding their child care concerns they want the City to address.

14. Other Related Concerns/ Issues :
26 Yes 30 No 20 No Answer Given

*See attached for list of responses.

CHILD CARE SURVEY COMMENTS:

As of August 4, 1997

The following comments are from 34% of the employees who answered "YES" to using City child care services.

-I currently care for my grandson and would need child care occasionally in the am.'s, so I may come into the office. I am only able to work afternoons.

-My daughter is now 20 yrs. old, but I would have loved child care services close to work. It was such a hardship for me that I feel for families and/or parents that require child care; I would give my full support to the City to provide child care.

-A support group for working parents would be great! I have raised both my children since they were newborn while employed by the City full-time. Though I don't have child care needs for young children anymore, I did at one time. I used the City's preschool program with my kids. (It'd be wonderful if City employees didn't have to pay for the City preschool program!) The Dependent Care Deduction was great to use when I needed it! My bosses have always been very understanding about child care needs. I would be interested in resources if they included adolescent and single parenting.

-Very qualified people with good backgrounds, etc.

-Most daycare providers do not start business before 6:00 or 6:30am. Some City employees have to be at work by 6:00am. Allow flex-time or re-adjust work schedules for those who have to be at work early or work as late as midnight.

-Need 24 hour child care as a police dept. employee due to our schedule changing every 6 months. We have to work holidays, weekends and sometimes get called back into work extra hours.

-For those of us that work Police/Fire, some type of child care is needed on a 24 hr. basis and drop-in basis for emergency callbacks.

-I would consider using City child care if it allowed me the flexibility my schedule requires --particularly during the summer and weekends.

-What will my children do all day? Will they be supervised at all times and be served meals? Would they play outdoor games? Would they learn computer skills, phonics? How would accidents be handled?

-Homework Club with tutors (all ages). Teen Group - an after school club just for teens. Flexible working hours (6am - 2:30pm). Telecommuting as part of the day during the hours that children are home (2:30pm - 5:00pm).

-The City should locate the child care center in a facility that is close to all City facilities / buildings where employees work. A discounted rate for City employees. Looking forward to seeing this program in place. Thank you!

- Job share opportunities. Flex schedule should be encouraged.
- Flexibility and support by City regarding part-time work schedules, job sharing, telecommuting - all of which attempt to create more time at home with children.
- No cost use of Milpitas preschool recreation classes. First priority use of Milpitas preschool to recreation classes.
- Drop-in visitations.
- Provide day care as part of an employment package perhaps.
- This would be a dream come true. An awesome idea! I hope it works!
- Although I am a grandparent and only require part-time daycare, I fully support the City's involvement in such programs. I would like to see a part-time drop-in program for part-time care also.
- Dispatching requires 24 hours service. Many of us find it very hard to meet these needs and our children's needs especially when child care services are only offered during the traditional daytime hours. Many of us have either decided to work "job share" (an excellent program) that only a few select have been allowed to do, or quit our jobs altogether. 24 hour daycare could and would alleviate many of these problems.
- Need child care during the work week.
- Recreation time during public concerts for preschool children. Would be nice if children could have option of being in a playroom for part of the concerts.
- My children need transportation to activities, i.e. soccer, CCD, scouts, etc.
- How would children who live outside of Milpitas be picked up?
- Flex-time scheduling - being able to work a 4-day schedule.
- Would child care services be strictly for City employees? If not, would we have priority?
- I also have an adult child with disabilities who needs daycare 6am to 9am. A bus picks him up for his program.
- Option to telecommute from home on a full or part-time basis. Option / opportunity to job-share (2 people sharing 1 full-time permanent position).
- Maternity. Safety concerns during pregnancy.
- I would like to see a child care facility that hires educated teachers / caretakers. I would like to see enough flexibility in employees' work hours that a parent would be able to visit their child during the work day as they see fit (especially for infants and young & sick children, or during special occasions). I would like to see a "City Web Site" for

information on child care issues or news. I would like to see various rates for child care, structure based on usage.

-Very important that there is child care for swing-shift workers. Will the child care providers be state certified? What type of care would be provided for the children? How soon would this program go on-line? I do not have children yet. I hope to start my family in the near future and hope to utilize the child care program very soon. Let us know what we can do to help. Thanks.

-Does this child care questionnaire give consideration to daycare while not in the service of the City?

CHILD CARE NEEDS SURVEY

As suggested by the 1993 Milpitas Child Care Needs Assessment (prepared by Bay Area Economics), a child care needs survey is being distributed to all City employees. The City wishes to determine the types of resources and programs its employees need to better balance their work and family life. This initial survey will provide a general profile of parents' child care needs and issues. A more focused, follow-up questionnaire will be sent to employees who complete this form. Results from both surveys will establish the extent of employee's child care needs which in turn will determine the City's next step in developing a range of supportive services. Please offer the City your input about your child care needs. Your response will be appreciated.

Please contact Gail Christopherson (extension #3967) for further information.

All employees are encouraged to complete this questionnaire.

[illegible]

Would you utilize child care services provided by the City?

No.

If you answered no, stop here. Please forward / e-mail this form by ? to:

Gail Christopherson
Child Care Coordinator
Recreation Services, Community Center
942-3967
Fax: (408) 942-5631

Yes.

If yes, please continue.

1. How many children do you have or are in your care? (Count all children age 12 and under).

2. What is your relationship to the child(ren)?
____ Mother ____ Father ____ Grandparent ____ Family Relative
____ Other Supportive Parenting Role
3. What are the ages of these children?
____, ____, ____, ____, ____, ____, ____, ____, ____, ____, ____
4. Do you prefer to have your child care needs met near home or work?
Home Work

5. Does your effort in meeting your child care needs significantly affect your commute to work?
☐ Yes ☐ No
6. What hours do you require child care?
☐ a.m. to ☐ p.m.
7. How much do you currently spend on child care each month?
 \$ _____
8. Do you have children who are developmentally challenged and require special needs care?
☐ Yes ☐ No
9. If you require child care services, what type(s) do you need or would you use?
☐ Infant Care (age 0-2) ☐ Weekend Care
☐ Day Care for Preschool Age (age 2-5) ☐ Evening Care
☐ Before / After School Care (school-age) ☐ Overnight Care
☐ Part-Day Day Care for Kindergartner ☐ Sick Care
☐ Summer Program with out Day Care ☐ Backup Care
☐ Summer Program with Day Care
☐ Preschool Program without Day Care
☐ Preschool Program with Day Care
☐ Transportation to and from preschool or school
☐ Early drop-off hours
☐ Flexible pick-up hours
10. Would you be interested in resources that would help you learn more about child development and / or parenting skills?
☐ Yes ☐ No
11. Are there any other areas related to your child care needs / concerns that you would like the City to address in this survey?
☐ Yes ☐ No

Please list and describe your needs / concerns below:

- 1 _____

- 2 _____

- 3 _____

4 _____

5 _____

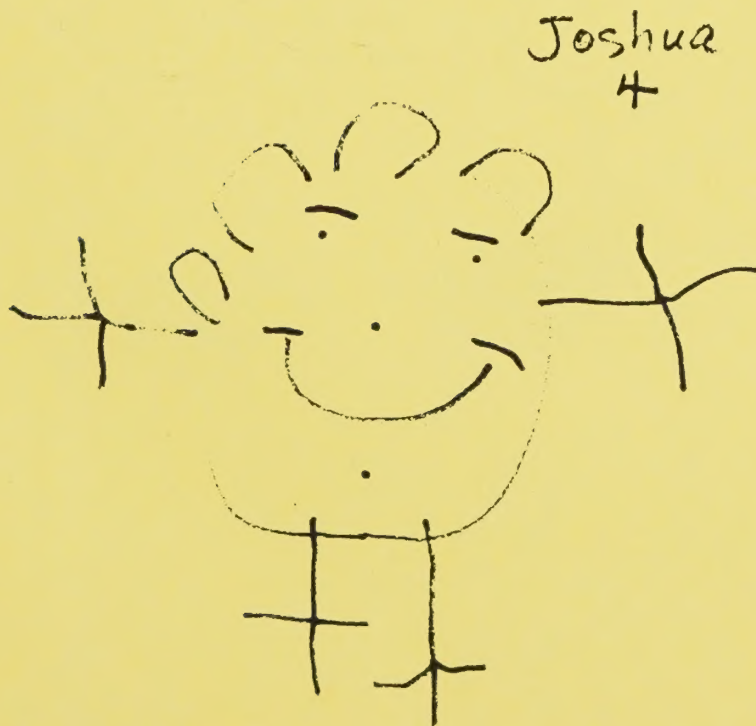
*Optional: Name _____ Phone#: _____

Thank you for taking the time to complete this survey. Please return / e-mail this form by ? to:

Gail Christopherson
Child Care Coordinator
Recreation Services, Community Center
942-3967
Fax: (408)946-5631

City of Milpitas General Plan 2.6 Land Use Principles and Policies

Current Reference to Child Care as of 2002



2.6 Land Use Principles and Policies

Land Use Guiding Principles

Implementing Policies

Child Care

2.a-I-22 Encourage the establishment of day care facilities consistent with State standards, including the issuance of use permits for large day care facilities where compatible with surrounding neighborhoods and commercial uses, particularly in public facilities such as community centers, churches, schools and in employment centers and large housing developments.

2.a-I-23 Consider zoning code modifications to encourage day care facilities through development bonuses, flexible parking regulations, design provisions for modular units, and similar incentives.

2.a-I-24 Collect and disseminate information regarding existing day care facilities and programs to major employees.

Community Meetings Summary

City of Milpitas Child Care Task Force

2001



Jordan, age 9

City of Milpitas Child Care Task Force Community Meetings Summary

The City of Milpitas, as part of its ongoing commitment to addressing the child care issues of its residents, directed the Child Care Task Force to develop a strategic child care master plan. The plan would both identify the issues surrounding child care in Milpitas and make recommendations which would support the community child care consumers and providers, as well as local employers and businesses.

The Child Care Task Force, which is comprised of representatives from the city government, community service agencies, parents and other interested parties, began the planning process in November 1999. Initially, the Task Force established a definition of child care to be used in the master plan. Subsequently, the Task Force determined the need for public input, and designed the community meetings framework. The meetings were held on four consecutive Wednesday evenings, beginning September 20, 2000. The input sessions were publicized through flyers, child care providers and local media. In an attempt to encourage community participation at the meetings, City of Milpitas Preschool staff provided onsite child supervision services. The following is a narrative of the structure of these meetings.

The attendees were welcomed by Task Force members and provided a brief overview of the child care master plan project and the format of the meeting. The larger group was split into smaller groups, and asked to discuss the following questions:

- Question One: What are you looking for in child care?
- Question Two: What does accessible child care mean to you?
- Question Three: What is affordable child care?
- Question Four: What is needed to improve child care in Milpitas?

A member of the Task Force facilitated each discussion group, while another member of the Task Force recorded specific comments from the participants. At the end of the discussion time period, the comments from the smaller groups were shared with the larger group. When all of the points had been shared, the attendees were provided with a set of five stickers, which they could place next to the comments/issues that were most important to them.

Based upon a review of the comments obtained at the community meetings, the areas of highest concern for the participants included 1) fees, 2) program/quality/training, and 3) accessibility. Issues classified as fees included cost of care, late pickup fees, needs for a sliding fee schedule, and the cost of child care in relation to other household expenses. Program/quality/training comments ranked second, and comprised discipline, types of care, curriculum, staff training, staff conduct, supervision, age appropriateness of activities, and standards. The third major issue, accessibility, encompassed hours and days of operation, location and transportation.

A variety of other comments were also voiced during the meetings. Topics presented included special needs care, infant care, safety, waiting lists, communication and language. The meeting participants also suggested some possible solutions and interventions involving government actions, such as increasing the funding for the City of Milpitas Family Child Care Grant program. Business involvement was also referenced, for example in relation to employers providing alternatives to traditional work schedules and promoting telecommuting. Additional comments were proffered pertaining to items outside of the range of the child care master plan, such as teen programs and public transportation. The Child Care Task Force recommends that these issues be researched further by the appropriate groups.

The table below indicates the frequency each topic was mentioned during the round table discussions. Following the table is the compilation of all comments received at the meetings. The participants of the meetings had the opportunity to stick five dots per person next to the issues that were most important to them. The bold text denotes items that received priority dots, and the numbers in parentheses represent the total number of dots assigned to that comment.

General Topic of Comment Received	Question One: What are you looking for in child care?	Question Two: What does accessible child care mean to you?	Question Three: What is affordable child care?	Question Four: What is needed to improve child care in Milpitas?	Total Responses
Fees	7	4	18	5	34
Program/quality/training	11	6	5	10	32
Hours	6	8	2	1	17
Location	5	9	1	1	16
Transportation	3	10	0	2	15
Government/Bus iness Actions	0	0	2	11	13
Safety	2	2	0	4	8
Communication	1	1	1	2	5
Teen Programs	3	1	0	1	5
Special Needs	2	0	0	2	4
Infant Care	1	1	0	1	3
Wait List	1	0	0	1	2
Language	1	0	0	0	1
Miscellaneous	1	2	6	4	13

Responses to Question One: What are you looking for in child care?

- Stay and Play hours are too short, closes at 5:00 PM, can't keep a job if after school program closes too early (3)
- Non-traditional hours for job – childcare? (2)
- Center would not accept 5 yr. olds with special needs (potty training), ratio was 1:14 (2)
- Safe environment (1)
- Close to home/school (1)
- Good communication between parents and providers (1)
- After school program charges late fees of \$25 - too extreme (1)
- Child care providers are also not disciplining for use of profanity in the after school program by the children themselves (1) ("standards" written on the dot)
- Looking for infant care at centers (1)
 - The waiting lists are years long (1)
- After school program should be on site at the school (1)
- Options limited:
 - Hours
 - Amount you make
 - Location for after school program on-site at public school, or provide transportation to program from school (1)
- Reliability (1)
- Extended hours (1)
- Experience (1)
- Late fee after 6pm, \$1.00 per minute (1)
- Not just "babysitting", something that incorporates learning, stimulates children
 - Tutoring
 - Activities

- Social skill development
 - Story-telling
- After school program “corralled” children - only just watched them
- Day care programs not trained in or receptive to special needs (ADD)
- Not a lot of consistency or structure in day cares - standards between providers
- All day care - over 8 hours per day
- Transportation of school age children to after school program
- After school recreation programs – hours not easy for working parents (commuting time vs. hours of operation)
- Late fees
- 13 year old has to take public transportation – they are too old for after school programs and too young for other programs
- Safe environment
- After school program staff show a lack of concern and a lack of control in dealing with the influences (especially profanity) the children are exposed to on the playground (basketball court is used by the public)
- \$600 for 2 children for after school care
- Recreation Connection – not providing activities outside of sports for teenage boys (wider variety)
- Community needs to have activities available for 7th grade and up
- Parents have choice to “home school”, but have to take students to Palo Alto for day classes
- Vans Skate Park is \$14 for 2 hours
- Infant care at the lowest is \$120 per week at a family child care home
- Looking for quality to see if:
 - Baby has supplies he/she needs
 - School age has supplies, tutoring, food
- Spanish speaking provider
- After school program staff paid attention to girls more than boys
- Only Stay and Play program available at Weller
- Traffic is a problem

Responses to Question Two: What does accessible child care mean to you?

- 12-13 year olds have to take public transit to school (12)
- Before school day care on site at schools also important (3)
- Fees too high (\$800-\$900/mo. for infants) (2)
- Transportation for school age children a problem, few providers provide transportation from school or for extra afternoon activities (1)
- Care provided when public schools are closed (in-service days) (1)
- Trained staff (1)
- Not too far from home (1)
- Don't want to use child care – afraid of child care - SIDS for infants (1)
- Options for child care: different types
- Back up care
- Ages of after school program staff of recreation programs are too young
- After school recreation programs care for multiple ages together – age appropriateness for the children is a question
- Group children according to their ages
- Substitute available for family child care providers would be nice to have, for doctor appointments, etc.
- Family child care provider businesses are impacted by traffic – time it takes to transport children to school
- Traffic flow for walking pedestrians - need paved paths to public schools (specifically Zanker)
- Close to job/location

- Transportation
- Hours
- Back up care
- School schedules
- Near school
- Child could walk to program
- Could be picked up by provider
- Can call and speak to their child on the phone
- Near work
- Take public transport – near these lines
- Cost
- Works part-time, then the more hours you work, the more you must pay
- Sliding fees would be helpful
- School age – at school site preferable to transporting
- Hours that work w/ job – works until 6 pm and child care closes at 5:30 pm.
- Travel time a factor
- Morning hours are OK – open early enough
- Within community – within 5 miles of home
- Transport school age children to school to avoid both before and after charges
- Latest hours providers are open is 6 PM
- After school program not available at Spangler for Kindergarten age – would have to be transported to Curtner
- School buses are not safe
 - no seatbelts
 - sometimes children get “lost”, don’t know where to get off, fall asleep
- Resident has been looking for child care for 6 years and did not know the city provides a child care resource and referral service

Responses to Question Three: What is affordable child care?

- Single parents may not have supplemental income (2)
- Depends on family income as to what is affordable (2)
- Willing to pay more for quality day care (1)
- Sliding scale should take number of children in family into account – offer credit for siblings (1)
- More lower income assistance (1)
- Drop-in centers would be helpful (1)
- Parent co-op child care with coupons distributed to parents for occasional use (1)
- Standards - variance in what is provided vs. cost (1)
- Single parent unable to work for police because of hours (1)
 - must work in job during hours available for child care (8-5)
 - training cuts into family time
- Rate is too high now
- Cost of diapers – provided?
- Food expenses – pack food or provided?
- Child care payment can equal car or house payment
- Secondary to rent for high cost/house expense
- Child care necessary and important
- Desire a friendly relationship between parents and providers; mutual respect
- Child care providers earn their money
- Sometimes it doesn’t pay to go to work – home business another option (cutting back on a lot of things)
- Government should support parents working from home or consulting
- Juggling process for priorities

- Child care problems can hold you back in your career
- Sliding scale only applies to low income - should be redefined to help middle income – not currently based upon realistic cost of living
- This area is very expensive
- Sliding fee scale
- Single parent must pay child support even though he has custody of children, this expense not considered an exemption for housing
- Hard to put a price on child care
- Child care providers deserve more vs. what parents can afford to pay
- Quality vs. amount you pay, make sure you get what you pay for:
 - Supplies
 - Food
 - Activities
 - Supervision
- Found provider from newspaper advertisement – showed in the advertisement how much she was willing to pay a provider
- Holiday care - hard to find school age care for holidays and summer
- Summer school slots are too few
 - long waiting lists
 - kids wanted to go, but no space
 - only get funding for children who are below state grade standards (identified at risk of retention) – so will be fewer spots this summer 2001

Responses to Question Four: What is needed to improve child care in Milpitas?

- Larger family child care grant \$ from the City of Milpitas (more than current \$250 limit) (6)
- After school recreation programs - transport children to enrichment programs (arts, sports, etc.) (5)
- Husband doesn't have job security - mother works to keep benefits (2) (if lessen hours then covered benefits are reduced)
- City park - City vehicles on park areas is a safety concern for child care children playing at park (2)
- More providers (2)
- Young couple with infant (1)
 - reservations about having infant in day care
 - cost of child care
 - waiting lists
- More home day care providers (1)
- Pay mothers to stay home rather than having government increasingly caring for children (as in Sweden) (1)
- How to work at home not being taught (1)
- Not knowing what child is doing when at child care (newsletters once a week was a good communication system) (1)
- Government provide alternatives for young mothers to stay home – may help prevent anger in young children (1)
- Flexible work schedules (1)
 - convince employers to support/provide this
 - employees would be more productive
- 13 year old – not enough teenage programs – are there any? (1)
- More daycare facilities (1)
- Lessen regulations on family child care providers
- Qualified staff – basic sense of safety
- Have documented cases of children playing unsupervised at after school program
- Balance of income vs. cost of child care

- Train mothers to run home businesses (such as phone calling and web-based positions)
- Rich get richer - poor get poorer
- Educating business to allow for telecommuting (Lifescan does this) - part time/full time.
- Cisco provides on job site child care - still very expensive even for employees
- Why have children when they are warehoused?
- Program to use older children in centers to assist with younger children in exchange for child care tuition (would be a good program)
- Cisco child care program only for Cisco employees
- Husband works 12-12, he picks up school age children but he can't sleep because he can't find child care for autistic child
- Some special needs families one person stays at home
- Accessibility means good rapport with teachers and child care providers – mutual respect
- Poor child care adds stress to the parents and to the children
- Shouldn't sacrifice happiness of child for convenience
- Recycle system from centers to family child care providers for used toys and supplies that might otherwise be thrown out
- RAFT
- Sports programs require transportation and parent participation - this then becomes "family activity" rather than "care"
- Haven't run into any "nightmare" programs
- Programs could do better with more \$
- City park equipment – park is not enclosed from street (Greentree St.) – a fence would be good
- Incentives for providing care
 - More supplies
 - Snacks
- Better transportation system

Local Business Child Care Benefit Summary

City of Milpitas Child Care Task Force

2001



City of Milpitas Child Care Master Plan Task Force

Local Business Child Care Benefit Summary

The City of Milpitas Child Care Master Plan Task Force determined a need to incorporate into the Master Plan input from local businesses. Business interest in child care is twofold: employees' usage of child care impacts demand for services, and quality child care options improve employees' productivity. A public input session aimed at local businesses was held in the fall of 2000 at the Cisco Family Connection child care center. Only one business community representative attended the meeting, thus the Task Force decided to poll Milpitas business Human Resource Managers utilizing a questionnaire format.

In February of 2001, the 719 members of the Milpitas Chamber of Commerce (Att'n Human Resource Managers) were mailed questionnaires with a cover letter (please see the survey and cover letter at the conclusion of this report). The questionnaire was designed to assess the local business climate with respect to child care benefits provided to employees. Of the 719 surveys that were distributed, 72 (10%) were returned. Five of the returned surveys were from businesses with no employees and therefore, were not compiled into the data analysis.

The questions included on the survey were:

- Question One: Does your company provide child care benefits for your employees?
- Question Two: If yes, please indicate which benefits are provided for which age groups: (a table listing the following information was provided for respondents to check the appropriate offerings)

Infant 0-2 year

Preschool 2-5 year

School Age 5-12 year

On-Site Care, Near Site Care, Dependent Care Reimbursement Plan, Subsidized cost of care, Back up care, Sick child care, Off-hours care, Child Care Resource Assistance (help finding child care, in house assistance, Nationwide referral agency contract, Local referral agency contract with Choices for Children or 4Cs), Family child care network, Child care center partnership or preferred status, Purchased slots for employees at a particular child care center, other (please list)

- Question Three: Please discuss the largest hurdles in providing child care benefits:

The returned questionnaires were divided into groups by total number of employees (as opposed to number of employees in Milpitas) for data compilation purposes. The size of the businesses included in the data compilation was fairly evenly distributed, with 37% reporting 1-10 employees, 30% reporting 11-100 employees and 33% reporting 100 or more employees. A wide range of sectors of the business community was represented. The sectors with the most respondents were services (e.g. insurance, printing, travel, beauty, educational, secretarial), high tech, construction, medical, child care and food service.

In general, very few Milpitas businesses offer child care benefits and those that do employ more people. Of the 67 responses, only 15 (22%) provide any type of child care benefit. The most common benefit available is the Dependent Care Reimbursement and is offered primarily by the larger companies. No businesses reported furnishing sick child care, off-hours care, Family Child Network, Child Care Center Partnership or Preferred Status, or purchased slots for

employees at a particular child care center. The only businesses reporting that they provide on-site child care benefits were child care centers or schools.

Businesses reported that the biggest challenges they face with regard to providing child care benefits included cost, space, liability, and coordination/finding child care. The issue of cost was referenced 3 times more frequently than any other issue. Listed below are the details of the questionnaire responses.

Survey Response

- 719 surveys were distributed to all Chamber of Commerce members.
- 67 valid surveys were received.
- 5 additional surveys were received from businesses that had no employees.
- Not a statistically valid survey.

Business Size

- Over half of the survey responses were from smaller businesses (50 or fewer employees).
- The size of business was based on the entire company and not just the number of employees in Milpitas.
- 33% of the respondents were from larger employers (100+ employees).

Total Number of Employees	Number Responding to Survey
1-10	25 (37%)
11-50	12 (18%)
51-100	8 (12%)
100+	22 (33%)
Total	67 (100%)

Business Type

The most typical business types responding to the survey were service providers (e.g., insurance, printing, travel, beauty, educational, secretarial) and high tech industries.

Business Type	Number Responding to Survey
Services (e.g. insurance, printing, travel, beauty, educational, secretarial)	14 (21%)
High tech	14 (21%)
Construction	7 (10%)
Child care	5 (7%)
Medical	5 (7%)
Food service	5 (7%)
Church/non-profit agency/school	3 (4%)
Auto service	3 (4%)
Hotel/motel	3 (4%)
Retail	2 (3%)
Public agency	2 (3%)
Recreational	1 (1%)

Financial	1 (1%)
Manufacturing	1 (1%)
Utility	1 (1%)
Total	67 (100% ¹)

Question One: Does your company provide child care benefits for your employees?

- No small businesses (1-10 employees) provide child care benefits.
- 15 (22%) of survey respondents offer benefits.
- 9 (13%) of those providing benefits are larger companies with 100+ employees.
- One third of those providing benefits are high tech companies.

Number of Employees	Number of Respondents Providing Benefits
1-10	0 (0%)
11-50	2 (3%)
51-100	4 (6%)
100+	9 (13%)
Total	15 (22%)

Question Two: If yes, please indicate which benefits are provided for which age groups:

- Survey respondents identified seven different types of child care benefits provided to employees.
- The Dependent Care Reimbursement (Section 125) program is the most common benefit provided and is provided primarily by the larger companies (100+ employees).
- No businesses reported providing sick child care, off-hours care, Family Child Care Network, Child Care Center Partnership or Preferred Status, or purchased slots for employees at a particular child care center.
- Those businesses reporting that they provide on-site child care benefits are child care centers or a school that provides child care services.

Type of Benefit	Number of Businesses Reporting the Benefit ²
Dependent care reimbursement plan	8
Child care resource assistance	6
On-site child care	3
Other ³	3
Subsidize cost of child care	2
Near-site child care	1
Backup child care	1

¹ Percentages do not equal 100% due to rounding.

² The number of benefits listed is more than the number of companies providing benefits because some employers provide more than one type of benefit.

³ "Other" benefit types cited were allowing employees to bring a child to work in an emergency, permitting employees to bring a newborn to work until they are six months old or crawling, and flexible work schedules.

Question Three: Please discuss the largest hurdles in providing child care benefits:

- Cost is by far the most frequently cited challenge to providing employees with child care benefits.
- The second most frequently mentioned issues include liability, space limitations and coordination/finding child care.

Reported Challenges to Providing Child Care Benefits	1-10	11-50	51-100	100+	Total
Cost	6	3	3	6	18
Space limitations	2	0	0	4	6
Liability	1	0	1	4	6
Coordination/finding child care	1	4	1	0	6
Not a need	0	2	1	0	3
Equity for childless	0	2	1	0	3
Quality of care	1	0	0	1	2
Not an industry standard	1	0	0	0	1

Additional Survey Comments:

- ✓ Interested in participating in a co-op with other companies.
- ✓ "Employees' long commute does not make local child care always helpful."
- ✓ Very interested in finding affordable care to help employees.

The City of Milpitas Child Care Master Plan Task Force
457 E. Calaveras Blvd.
Milpitas, CA 95035

February 7, 2001

Dear Human Resources Director,

The City of Milpitas Child Care Task Force is a community-based sub-committee to the Parks, Recreation and Cultural Resources Commission, charged with the creation of a Milpitas Child Care Master Plan. When completed, the Master Plan will provide city planners a guidepost from which to make child care related decisions.

The Task Force has been collecting information about the current climate of child care in Milpitas over the past six months. Five community meetings were held in October and November 2000 to invite residents and interested parties to share their opinions about child care in Milpitas.

We are currently gathering information about the business community's involvement and participation in child care matters in Milpitas. Attached please find a very brief questionnaire pertaining to the child care benefits provided by your company for your employees.

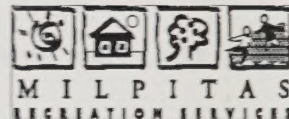
We thank you in advance for your cooperation and support. If you are interested in obtaining further information about this questionnaire or the Task Force, please contact either Co-Chair: Toby Librande, Child Care Coordinator at (408) 586-2780 or Marsha Grilli at (408) 946-8337.

Sincerely,

Toby S. Librande
Child Care Coordinator and Co-Chair



**City of Milpitas Child Care Task Force
Local Business Child Care Benefit Questionnaire**



We are interested in gathering data from the local businesses in Milpitas.
Please assist us, and return this questionnaire in the envelope provided.

Name of Company _____
Address _____
Number of employees in Milpitas _____
Total number of employees (company – wide) _____
Name and Title of Person Reporting _____
Contact Phone Number _____
Contact e-mail _____

1. Does your company provide child care benefits for your employees?

Yes

No

2. If yes, please indicate which benefits are provided for which age groups:

Child Care Benefit Provided	Infant 0-2 yr.	Preschool 2-5 yr.	School Age 5 – 12 yr.
On – Site Care			
Near Site Care			
Dependent Care Reimbursement Plan			
Subsidized cost of care			
Back up care			
Sick child care			
Off-hours care			
Child Care Resource Assistance (help finding child care)			
➤ In House Assistance			
➤ Nationwide Referral Agency Contract			
➤ Local Referral Agency Contract with Choices for Children			
4Cs			
Family Child Care Network			
Child Care Center Partnership or Preferred Status			
Purchased slots for employees at a particular child care center			
Other: (please list)			

3. Please discuss the largest hurdles in providing child care benefits:
(continue comments on the other side of paper if needed)

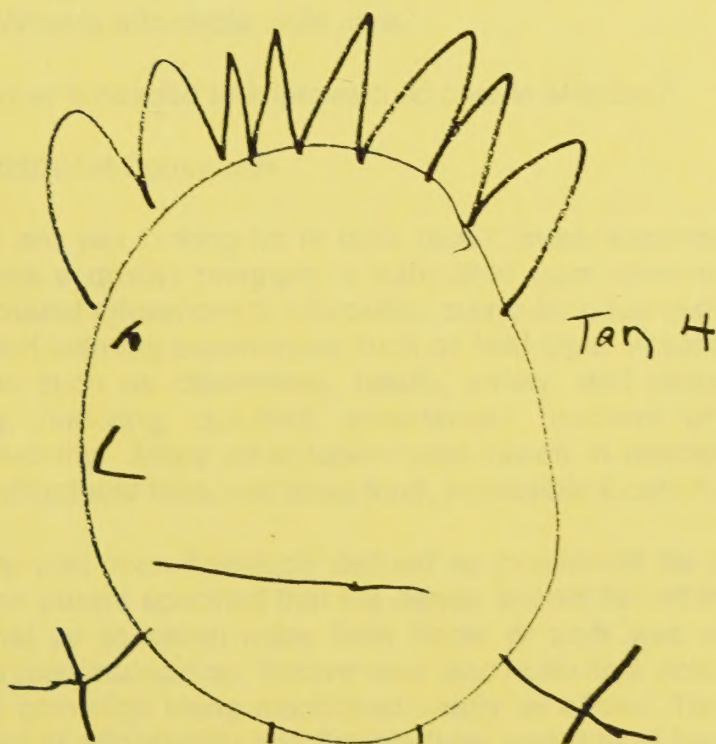
Please return in envelope provided by February 21, 2001.

Questionnaire may also be returned by FAX at (408) 942-2472, attention Toby Librande,
or filled out on our web site at www.ci.Milpitas.ca.gov. Thank you for your support!
Milpitas Community Center, 457 E. Calaveras Blvd. Milpitas, CA 95035

Parent Child Care Questionnaire Summary

City of Milpitas Child Care Task Force

2001



City of Milpitas Child Care Master Plan Task Force

Parent Child Care Questionnaire Summary

The City of Milpitas Child Care Master Plan Task Force placed a high priority on comprehensive outreach. In addition to hosting the Child Care Community Input Meetings and distributing the Human Resources Child Care Benefit Questionnaire, the Task Force designed a survey for parents and child care consumers, *The City of Milpitas Child Care Task Force Child Care Questionnaire*. In order to complete the Task Force outreach efforts, the City of Milpitas Child Care Coordinator distributed 1,400 of these surveys to child care providers within the city limits in the spring of 2001. The survey was also made available to be downloaded from the City of Milpitas website. A total of thirty-five (35) surveys were returned from parents and two (2) were completed by child care providers. Most of the respondents were Milpitas residents with 2 or fewer children age birth to four years. The survey questions encouraged participants to rank their responses by priority, however many respondents did not rank their input. Therefore, data analysis focused on the number of times each topic was mentioned per question.

The questions asked on the survey mirrored those discussed in the Community Input Meetings, and included:

- Question One: What are you looking for in child care?
- Question Two: What does accessible child care mean to you?
- Question Three: What is affordable child care?
- Question Four: What is needed to improve child care in Milpitas?
- Question Five: Additional Comments

When asked, "What are you looking for in child care?" most respondents indicated that their highest priorities were a quality program, a safe child care environment, and caring staff. Quality programs included references to education, curriculum, fun and happy environments for children, and extended learning experiences such as field trips. A safe child care environment encompassed issues such as cleanliness, health, safety, and security. Staffing concerns centered on caring, nurturing, qualified, experienced teachers whom parents felt were competent and trustworthy. Many other topics were raised in reference to what parents are looking for, such as affordable fees, nutritious food, accessible location and hours of operation.

Accessible child care was overwhelmingly defined as location of the program with respect to work and home. One parent specified that the center should be within one or two miles while another indicated that up to seven miles from home or work was acceptable. Parent and program interactions (communication, involvement, and open door policies) ranked second with convenient hours of operation being mentioned nearly as often. Two additional topics were frequently raised, that of affordability and flexible fees, and that of transportation and parking. Additional comments pertaining to accessibility included a variety of subjects, for example, space availability with no waiting list, program type choices, and program quality.

Affordable child care was frequently interpreted as “the going or typical rate for the service provided”. Respondents strongly indicated that affordability is inextricably linked to the quality of care. Affordability was further described as the cost of care relative to the household budget. Many survey responses associated affordability with quality, such as this sampling: “I’m fine on paying more for high quality”, “willing to pay extra for a very good child care program”, and “I’m willing to pay for good quality child care”. Also often mentioned were sliding fee scales, subsidized care, and government assistance for child care fees.

Question Four asked, “What is needed to improve child care in Milpitas?” Responses for this question were diverse, with many different issues receiving mention. The most frequently referenced topic alluded to the role of government with respect to child care. Many aspects of government intervention were mentioned, including audits, subsidies, improved standards, funding for child care providers, family child care grants, and universal part-time preschool. Improved staff quality and quantity was the next most frequently mentioned theme, closely followed increased numbers of centers and providers available. Additional issues raised included in order of frequency, improved facilities, playgrounds and supplies, better programs and curriculums, smaller teacher to child ratios, enhanced safety and health, and increased teacher pay and benefits.

The final question was designed to allow respondents to voice additional comments that did not fit easily into any of the aforementioned categories. Again, responses to this question were wide ranging. For a sampling of the comments, please see pages 5 – 6.

Listed below are the details of the parent survey data analysis, and the Response Frequency Matrix for Questions One through Four. *The City of Milpitas Child Care Task Force Child Care Questionnaire* can be found at the conclusion of this document.

Survey Response

- Surveys were distributed to parents at Milpitas child care centers.
- 35 parent surveys were returned.
- 2 additional surveys were received from operators of family day care homes.
- Not a statistically valid survey.

Resident Response

Over 70% of the survey responses were from Milpitas residents.

Resident Status	Number Responding to Survey
Resident	25 (71%)
Non Resident	10 (29%)
Total	35 (100%)

Number and Age of Children

87% of surveyed families had 1 or 2 children.

Number of Children in Family	Number Responding to Survey
1	16 (48%)
2	13 (39%)
3	2 (6%)
4	2 (6%)
Total	33 ¹ (100% ²)

65% of children in surveyed families were less than four years old.

Age of Children	Number Responding to Survey
1 year or less	4 (7%)
1+ to 4 years	32 (58%)
5 to 10 years	14 (25%)
11-12 years	2 (4%)
13+ years	3 (5%)
Total	55 (100% ³)

Data Analysis Details:

- Questions I to IV asked parents to list and prioritize their responses.
- Not all survey respondents answered all questions or provided three priority levels for every question; therefore data was analyzed by how often each issue was mentioned within the answers to each question.
- Similar answers and concepts were grouped together.

Question I. What are you looking for in child care?

- The most commonly cited child care attributes included program quality. This incorporated education, curriculum, fun for children, and extended learning experiences such as field trips.
- The second most highly rated characteristic indicated the importance of a safe environment which is healthy, clean and secure.
- Quality staff was also frequently referenced.

Looking for...	Number of Times Mentioned
1. Program quality/education/curriculum/fun/field trips	44
2. Safety/health/cleanliness/security	29
3. Quality staff	27
4. Affordable	8
5. Nutritious food service	5
6. Accessible location	5
7. Hours of operation	3

¹ Two respondents did not answer how many children were in their family.

² Percentages do not equal 100% due to rounding.

³ Percentages do not equal 100% due to rounding.

- Additional responses mentioned
 - ✓ The center had varied age groups.
 - ✓ Parent involvement was encouraged.
 - ✓ Strong communication between the school and parents.
 - ✓ Age groups separated.
 - ✓ Quality facility.

Question II. What does accessible child care mean to you?

The most commonly listed descriptor of accessible child care was that it be located near home or work.

Accessible Child Care Means...	Number of Times Mentioned
1. Located close to home or work	22
2. Parent communication/involvement/open door policy	11
3. Convenient hours of operation	10
4. Affordable/flexible fees	7
5. Transportation/parking	7
6. Space (capacity) available/no wait list	5
7. Program type choices	4

- Additional responses cited:
 - ✓ Adequate teacher/child ratio
 - ✓ Field trips are provided
 - ✓ Safe location from major thoroughfares
 - ✓ Convenient (nonspecific)
 - ✓ Strong communication with parents
 - ✓ Ability to view classes via the internet

Question III. What is affordable child care?

- Not all respondents answered this question.
- Affordable child care was frequently defined as "the going or typical rate for the service provided" contingent upon that a high quality program was being offered.

Affordable Child Care is...	Number of Times Mentioned
1. Fees affordable/cost within budget/going rate/ worth the money	20
2. Sliding fee scale/subsidized/government intervention	7
3. Program quality/education/curriculum	6
4. Fees and schedule flexible	5

- Additional responses indicated:
 - ✓ Low cost, no added fees
 - ✓ Quality staff
 - ✓ Convenient hours and days of operation
 - ✓ Before and after school program

- Supplementary written comments included:
 - ✓ Affordable child care should be subsidized by the State.
 - ✓ Affordable child care is \$600/month; \$500-700/month; under \$5,000/year (the compensation tax benefit limit); \$800-900/month with high quality care; \$650/month.
 - ✓ Willing to pay extra for a very good child care program.

Question IV. What is needed to improve child care in Milpitas?

- Not all respondents answered this question.
- Responses focused on providing more governmental intervention, increased staff quantity and quality, additional centers and providers, enhanced facilities and programs, better teacher/child ratios, improved health and safety, and increased teacher pay and benefits.

What is Needed to Improve Child Care in Milpitas...	Number of Times Mentioned
1. Government help/audit/subsidy/standards/universal part time preschool	15
2. Improved staff quality and quantity	10
3. More centers and providers	8
4. Facilities/playgrounds/supplies improved	6
5. Improved programs/education/curriculum	5
6. Better teacher/child ratios	5
7. Increased safety and health	5
8. Increased teacher pay & benefits	5

- Additional responses referenced:
 - ✓ More computers
 - ✓ More teacher training and career growth opportunities
 - ✓ Improved teacher attendance
 - ✓ More convenient locations for centers
 - ✓ Increased parent involvement and input
 - ✓ More infant care
 - ✓ Improved communication between parents and providers

Question V. Additional Comments

Parents were invited to list any further thoughts pertaining to child care under this question. A sampling of the comments follows:

- ✓ "Milpitas has good freeway access but most parents cannot get in and out. The traffic is a terrific hindrance and puts everyone behind at least an hour."
- ✓ "Provide annual visits with police and fire department. So the children recognize authority figures and will know he/she is there to help them in time of need. (Lost, kidnap, shooting, house/school fire, calling 911, etc.)"
- ✓ On-site child care for City of Milpitas employees.
- ✓ The rising cost of living in Milpitas is reflected in the rising cost of child care.
- ✓ "There is so much emphasis being placed on having someone else raise your children. There is no encouragement or support offered to parents who choose to raise their own

children. Our society has abandoned the traditional family structure and values and it is reflected in our increasingly troubled society (i.e., 15 year olds who take guns to school and shoot their classmates!)”

- ✓ “Long naps are a waste of time for children of 3+ years old. Some day cares nap them for 3 hours a day and it is difficult for children 4 & up. More emphasis on educational work and more choices for parents, choices are limited.”
- ✓ “Milpitas could distinguish itself by having the highest number of company-sited child care centers – maybe a company like Kindercare could be the vendor of such in all the high tech companies in the City!!”
- ✓ “Need to provide incentives for employment-based (i.e. on-site at parent’s place of employment) child care. Especially at schools for teachers.”
- ✓ “Need to get word out re family child care grants for stay at home moms, or incentives for stay at home moms who can take on 1-2 extra kids whose parents work outside the home.”
- ✓ More on-site after school care.

Response Frequency Matrix for Questions I - IV

	Question One: What are you looking for?	Question Two: Accessible means?	Question Three: Affordable means?	Question Four: Needed to improve child care?
Accessibility/Convenience	3	2		1
Age Groups Separated	1	1		
Availability/No Wait List/Infant Care	1	5		3
Before/After Care	1		1	
Computer Programs Used				1
Curriculum/Education/Program Quality	31	3	6	5
Discipline	2			
Facilities - Better				1
Facility Equipment: Internet cameras & doorbells		2		
Facility Quality	2	1		1
Fee Sliding Scale			4	
Fees Affordable/Cost/Within Budget/Going Rate/Worth the Money	8	4	20	2
Fees and Schedule Flexible	1	3	5	
Fees Included			1	
Field Trips	5	1		1
Food Good Quality	5			
Government Help/Audit/Subsidy	1	1	3	12
Happy/Fun for Children	8	1		1
Hours of Operation	3	10		
Location: Close to Work or Home	2	20		3

Parent Communication Good	1	5		2
Parent Involvement	2	2		1
Parent Open Door Policy	2	4		
Parent Treatment Consistent				1
Parking		3		
Playgrounds Bigger/Better				2
Program Type Choices		4	1	
Programs/Centers/Providers - more				8
Quality Service	1			1
Ratio Teacher/Child	2	1		5
Reliable	1	1		
Safety/Health/Cleanliness/Security	29	2		5
Standards Increased/Improved				2
Supplies/Equipment Sufficient	1			2
Teacher Attendance Improved				1
Teacher Pay Increased				5
Teacher Substitutes Available				1
Teacher Training Increased				2
Teachers/Staff - More				3
Teachers/Staff Experienced/Qualified/High Quality/Caring/Nurturing/Trustworthy/Competent	27		2	3
Time		1		
Transportation		4		
Universal PT Preschool				1



City of Milpitas Child Care Task Force Child Care Questionnaire



The City of Milpitas Child Care Task Force is a community-based sub-committee to the Parks, Recreation and Cultural Resources Commission, charged with the creation of a Milpitas Child Care Master Plan. When completed, the Master Plan will provide city planners a guidepost from which to make child care related decisions. We are interested in receiving comments from residents, parents, child care consumers, and providers. Please assist us by filling out the following brief questionnaire.

Name _____
Address _____
Phone Number _____
Contact e-mail _____
Ages of children _____

Please check if you are interested in being added to the City of Milpitas Child Care Task Force mailing list:

- ☐ Yes
☐ No

I. What are you looking for in child care?

1. Highest Priority
2. Second Highest Priority
3. Third Highest Priority

II. What does accessible child care mean to you?

1. Highest Priority
2. Second Highest Priority
3. Third Highest Priority

Please continue on reverse →

III. What is affordable child care?

1. Highest Priority
2. Second Highest Priority
3. Third Highest Priority

IV. What is needed to improve child care in Milpitas?

1. Highest Priority
2. Second Highest Priority
3. Third Highest Priority

V. Additional Comments

Questionnaire may also be returned by FAX at (408) 942-2472, attention Toby Librande, or filled out on our web-site at www.ci.Milpitas.ca.gov. Thank you for your support!

Milpitas Community Center, 457 E. Calaveras Blvd. Milpitas, CA 95035

Phase I Report Milpitas Child Care Needs Assessment

Bay Area Economics

7/1992



B ■ A ■ E

Bay Area Economics

■

**PHASE I REPORT
MILPITAS
CHILD CARE
NEEDS ASSESSMENT**

**Prepared for:
The City Council of the
City of Milpitas**

Peter A McHugh, Mayor
Jim Lawson, Vice Mayor
Barbara Lee
Skip Skyrud
Robert Livengood

**Prepared by:
Bay Area Economics
Freis & Miller**

July 1992

Headquarters

2560 9th Street

Suite 211

Berkeley

CA 94710

510.549.7310

fax: 510.549.7028

bael@bael.com

■

San Francisco, CA

415.561.4476

■

Washington, D.C.

301.589.6660

■

Sacramento, CA

530.750.2195

B ■ A ■ E

Bay Area Economics

July 29, 1992

Ms. Starla Jerome-Robinson
Assistant Finance Director
City of Milpitas
455 E. Calaveras Boulevard
Milpitas, CA 95035

Dear Ms. Jerome-Robinson:

We are pleased to submit the enclosed Phase I Report of the Milpitas Child Care Needs Assessment. We have enjoyed working with you on this important project, and look forward to formulating appropriate strategies for the City of Milpitas.

Sincerely,

Janet Smith-Heimer
Principal

Attachment

Headquarters

2560 9th St

Suite 2

Berkeley

CA 947

510.549.73

fax: 510.549.70

bael@bael.co

San Francisco, CA

415.561.447

Washington, D.C.

301.589.6660

Sacramento, CA

530.750.2195

ACKNOWLEDGMENTS

The authors of this report, Bay Area Economics and Freis & Miller, gratefully acknowledge the assistance and invaluable input given to them by the officials and staff members of the City of Milpitas including Mayor Pete McHugh, Councilmember Barbara Lee, Councilmember Skip Skyrud, Anthony Constantouros, Starla Jerome-Robinson, Cathy Dressler, and Felix Reliford.

We also wish to thank Dr. John MacKay and Ms. Pat O'Donnell of the Milpitas Unified School District for their comments and assistance, as well as the Community Coordinated Child Development Council of Santa Clara County for providing child care supply data and other information. Finally, we want to give a special thanks to all of the participants in the employer, employee, and provider surveys conducted for this report; their comments and suggestions were an important source of information and feedback.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	i
INTRODUCTION	1
DEMOGRAPHIC OVERVIEW.	2
Population and Household Characteristics.	2
Age Distribution.	3
Ethnicity	3
Income Distribution.	3
Occupation and Employment.	7
Summary.	8
THE MILPITAS CHILD CARE SYSTEM.	11
Inventory of the Child Care Supply.	11
Description of the Child Care System	15
Summary of the Child Care System	23
RESIDENTS' NEEDS	24
Women in the Labor Force	24
Family Status	24
Children in Poverty	25
National Trends in Child Care Usage.	27
Summary of Resident Child Care Needs.	28
EMPLOYER AND EMPLOYEE NEEDS	35
Employer Survey	35
Limited Small Firm Employee Survey.	40
PROVIDER NEEDS.	44
Methodology.	44
Profile of Providers	44
Factors Affecting Parent Choice	46
Provider Issues	47
Provider Recommendations.	48
Summary of Provider Needs	48
DEMAND FOR CHILD CARE.	50
Current Need	50
Future Need	53
POTENTIAL BARRIERS TO THE PROVISION OF CHILD CARE	55
The Economics of Child Care.	56
System Organization and Coordination	57
CONCLUSIONS.	59
APPENDICES	60

EXECUTIVE SUMMARY

Introduction

This report assesses the needs of Milpitas's residents, employers, employees, and providers with respect to child care. A subsequent report will explore the strategies that other communities have followed to improve child care, as well as begin to formulate recommendations about the appropriateness and cost of the most successful strategies for the City of Milpitas.

Demographic Overview

Milpitas has experienced substantial growth in population and households since 1980, and has a high proportion of households with children. Almost 20 percent of the population is under 12 years of age. Milpitas is relatively affluent, with almost 58 percent of the households earning incomes of \$50,000 or more, and higher median incomes than the County or the State. Milpitas is an ethnically diverse community, with a relatively large concentration of Asian/Pacific Islanders. This diversity may result in differing child care usage patterns due to different cultural traditions, family structures, and needs.

Employment has also grown rapidly in Milpitas. As more companies start up or move to the City, the availability of child care oriented to employees will likely become an aspect influencing the economic development of the area.

The Child Care System

The child care system in Milpitas is characterized by numerous public, private, and non-profit providers and support organizations. While the system allows for parental choice, its nature makes regulation of quality, provision of subsidies, and overall access difficult at best. This situation is very typical of child care throughout California and the U.S.

There are currently 123 facilities providing organized child care in Milpitas, including 104 family homes and 19 centers. These facilities provide a total of 2,458 spaces for children aged zero through 12 years. Family day care homes provide the majority of spaces for infants, while the majority of spaces for toddlers and school-aged children are in centers. This suggests that strategies for improving child care, if segmented by age of child, could be targeted to different types of facilities.

In addition to the spaces provided by licensed family homes and day care centers, the organized care facilities include a variety of programs run by the school district. Additionally, the City's Leisure Services Department runs a number of child-care oriented programs, including summer activities, limited-time preschool programs, and after-school programs.

The sources of financial assistance and subsidies for child care available to low income Milpitas households include Headstart and subsidized slots in school district programs. Unfortunately, there is no central point of access in Milpitas whereby families can learn about eligibility for subsidies, and the number of subsidized slots is extremely limited.

The State of California provides funding to a network of independent non-profit organizations throughout the State known as Resource and Referral agencies (also known as R & Rs). The R & R serving Milpitas is the Community Coordinated Child Development Council of Santa Clara County (also called the 4-C Council), headquartered in San Jose. The 4-C Council maintains a current database of all child care centers and family child care homes that are in operation in Milpitas as well as the entire County and provides referrals and other assistance to parents seeking child care information. Although these services are available to parents and caregivers in Milpitas at no cost, many are unaware of the existence of the 4-C Council. This is due to the fact that the 4-C Council is based in San Jose and serves a wide geographic area of which Milpitas is a small part. There are also several private for-profit referral organizations which serve Milpitas.

There are a variety of organizations and agencies which support and regulate child care in Milpitas. These include family child care associations, and other membership, assistance, and training organizations. Regulation is administered primarily at the State level.

Public funding for child care in the U.S. is provided both directly, by State and Federal funding programs, and indirectly, through various tax incentives. The major source of funding for child care services is the State of California, which provided over \$300 million in 1991. Much of this funding pays for the licensing process and the provision of subsidized spaces.

In summary, the child care system in Milpitas is characterized by numerous public, private, and non-profit providers and support organizations. While the system allows for parental choice, its nature makes regulation of quality, provision of subsidies, and overall access difficult at best. This situation is very typical of child care throughout California and the U.S.

Resident Needs

Milpitas had approximately 9,700 children under the age of 12 in its population in 1990. Labor force participation rates for Milpitas mothers of children under 18 women are very high; 70 percent of mothers with only children under six are employed or seeking employment. It is likely that almost all of the children under the age of six of working mothers need some form of child care. For school aged children between six and 12 years old, child care is also needed by many working families, particularly those with single parents. There were approximately 760 children under the age of 18 living below poverty level in 1990; these children probably have a substantial need for subsidized child care.

Child care in Milpitas is provided by a variety of licensed and license-exempt facilities, unregulated facilities, friends, neighbors, and relatives, as in most communities in the U.S. Although actual patterns of care use are not known for Milpitas due to the lack of a representative resident survey, it is likely that child care usage patterns roughly parallel national patterns, where approximately half of preschool children are in organized care, i.e., family day care or center care, and that the proportion in organized care is increasing over time.

Employer and Employee Needs

To assess the child care needs of employers and employees in Milpitas, Bay Area Economics surveyed the City's 10 largest employers and a random sample of 20 smaller firms with between five and 75 employees. To gain more insight into the child care needs of employees working at the small firms, BAE surveyed the employees at five of the firms previously contacted for the employer survey. While the employee survey was not extensive, it is likely illustrative of conditions regarding child care at small Milpitas firms.

Employer Needs. There are a variety of ways employers are assisting with the provision of child care in Milpitas. According to the survey, formal or informal flex-time benefits seemed to be the most prevalent assistance offered. A majority of the large firms offer the Dependent Care Assistance Plan (DCAP), which enables employers to apply pre-tax salary towards payment of child care; very few small firms offer it. There was considerable confusion over this program in many firms, signaling the need for increased education of businesses. Other types of assistance offered (generally only by one or a few of the firms surveyed) included referral services, unpaid leave (in addition to the state-mandated disability leave), job sharing, additional sick days to care for sick children, and reduced-price programs at specific child care centers.

Many firms expressed an interest in responding to employee child care needs but needed additional information and guidance. Some businesses in Milpitas currently provide innovative and successful child care benefits for their employees that other businesses might be interested in modeling.

Overall, few firms offer child care benefits to their employees through specific policies. Many firms were unfamiliar about the types of benefits that they could offer. A few firms, both large and small, were studying or considering child care options for their employees at the time of the survey. Most firms expressed interest in receiving more information about child care in Milpitas and benefit options available to them.

Employee Needs. The limited employee survey conducted for this report highlights several key attributes of the child care usage patterns for employees in the area. First, the survey indicates the fact that a very high proportion of Milpitas workers come from outside the City. The respondents generally had household incomes lower than the Milpitas median; this was even true of the Milpitas residents who responded. Over half the households were two-parent households with both parents working, while one quarter were single-parent households. None of the households with only one working parent had incomes of \$50,000 or more.

Less than 10 percent of this sample used center-based care, a much smaller proportion than reported nationally. Care tended to be closer to the home than to the workplace; because of the residence of these respondents, this meant that less than one-third of these workers used child care in Milpitas. To some extent, though, this may be a function of the lack of appropriate care facilities near the workplace. For 47 percent of the children in responding households, the respondents stated a desire to use care near the workplace if it were available, suggesting that there is unmet demand for child care facilities in Milpitas being generated by Milpitas workers.

Generally, users were satisfied with the care their children were receiving. Among non-users, cost seemed to be the most important factor preventing use of child care. Only two of the five companies surveyed, covering 11 of the 26 employees, provided any kind of child care assistance. Provided assistance included DCAP, flex-time, and paid leave for employees seeking child care. Interestingly, at both companies there were respondents who did not know their employer provided some kind of assistance. Respondents had a variety of suggestions for how Milpitas employers could improve child care in Milpitas, with care on-site or near the workplace being the most common suggestion.

Provider Needs

Ten child care providers were interviewed as part of this study to ascertain their needs, areas of concern, and suggestions for ways to improve the Milpitas child care system.

The majority of respondents operated programs that were at capacity and had no plans to expand. With the exception of one program in the non-profit sector, few subsidized spaces were available among the respondent providers.

The providers indicated that finding substitute teachers and staff was a major problem for them. They also identified a range of other difficulties they face, including care for mildly ill children and assistance for parents who need help paying the fees.

The strategy most often suggested to meet provider needs was some type of a clearinghouse where parents and providers could gain access to a range of support services.

Demand Estimate

To adequately plan for child care in Milpitas, it is necessary to estimate child care needs both currently and for the future. Although the exact nature of child care demand in Milpitas cannot be stated, broad assumptions can be made based on 1990 Census information from Milpitas (including percent of working mothers and age of children), and from national surveys on child care utilization.

Demand for child care spaces is estimated to exceed supply for all age groups in Milpitas at this time. Demand for organized spaces for children under six currently exceed supply by over 200 spaces, and demand for spaces for school-age children exceeds supply by over 400 spaces. If no additional new spaces are added, it is estimated that by 1997 unmet demand will exceed supply by almost 375 spaces for children under six and over 525 spaces for children six through 12.

Barriers to the Provision of Child Care

Local Government Regulation and Fees. Zoning and related land use regulations can severely impact or encourage the provision of child care, particularly in a family home setting.

State law permits cities to allow small family child care homes (one to six children) "by right" in residential zones; this means that no notifications, hearings, or conditional use permits are

required for small family homes. Milpitas's zoning ordinance conforms with State law, and does not pose a barrier to start-up of small family homes.

For large family child care homes (seven to 12 children), Milpitas's zoning ordinance is unclear and could potentially pose a barrier to a child care provider. By State law, a city has three choices in terms of its zoning ordinance for residential zones. Large family child care homes can be permitted "by right"; they can be given a non-discretionary use permit (which is granted by the planning director without public hearing if certain conditions are met); or they can be required to obtain a conditional use permit (which requires neighbor notification and a public hearing). Large family child care homes are not specifically discussed in the Milpitas zoning ordinance. Instead, these facilities have been considered as "schools," which required to obtain a conditional use permit in all residential zones. Since the definition of "school" in the ordinance does not technically pertain to a family child care home, the situation is potentially unclear to a child care provider. To mitigate this, a revision of all residential zoning ordinances for Milpitas would be needed.

In Milpitas, the current business license fee structure is relatively moderate: home businesses, which would encompass small and large family child care facilities, are charged a flat \$25 annual fee. For child care centers, the business license fee is a flat \$35 per year plus an additional annual charge per employee; from one to 10 employees, there is a per-employee charge of \$5, and from 11 to 100 employees, the charge is \$1 per employee. Thus, a typical child care center with 12 employees would pay approximately \$95 per year. While the business license fee is not particularly onerous for child care providers in Milpitas, waiving the fee might eliminate a barrier to the provision of care.

The Economics of Child Care. In many communities, one of the major barriers to the expansion of child care supply, and even, in some cases, the retention of existing supply, is the cost from the provider's standpoint of operating a facility. The economic realities of providing child care generally result in businesses with zero or only marginal profitability. Since child care is a service, the primary cost of providing care is the cost of the labor (i.e., teachers and directors) within child care facilities. For child care, labor costs typically range from 70 to 90 percent of a center's operating budget. However, although the cost of labor is so significant, it is important to understand that child care workers generally receive wages at the very low end of the overall wage scale. According to *the National Child Care Staffing Study*, conducted by the Child Care Employee Project, on a national basis, the average wage for a child care worker is only 50 percent of the average wage for all female workers, and only 25 percent of the average wage of all male workers.

While this study did not directly research the economic situation for child care facilities in Milpitas, it is probable that pay scales are relatively low, as indicated by research in nearby areas. Child care is a difficult business; fees cannot be raised high enough in most cases to allow for the much-needed salary levels that are correlated with quality care. The result of this situation is that potential providers either do not start up, operating facilities shut down, or facilities pay their staff at levels that may result in a lower level of care than parents and children really need.

The relationships between labor costs, quality of care, and impact on expansion/retention in Milpitas have not been directly documented by this study. Nevertheless, these issues require further exploration and consideration as part of any city-sponsored child care strategy.

System Coordination and Organization. The nature of the Milpitas child care system and the needs of residents, employers, and employees described in this report underscore the situation experienced by many communities in California. Child care, which has grown as women have entered the labor force in ever-increasing numbers, has not been coordinated, regulated, or monitored in a manner comparable to many other social services such as health care. Instead, a myriad of local, regional, and state organizations have evolved over time to meet a variety of needs, resulting in a "patchwork" system which can be daunting to the families it ultimately serves.

There are two examples which illustrate the system's general lack of coordination and how it can create a barrier to provision of child care. In the realm of subsidized care for low income families, the variety of programs and funding sources as described in this report (albeit limited in their level of assistance offered) can be difficult to access for families with limited resources. At the other end of the spectrum, the services of the State-funded Resource and Referral agency, the 4-C Council, are not utilized to their fullest due to Milpitas's position as a relatively small community on the edge of a large county.

Conclusions

The findings of this Needs Assessment suggest that there is substantial unmet demand for child care in Milpitas. Discussions with local employers indicated that they are very interested in exploring child care assistance approaches with each other, the City, and providers. Employees would like more choices for work-based child care facilities, while providers see a strong need for more local resources to assist them and parents. All of these program directions have been followed by other cities in California; under direction of City Council, the next phase of this study will explore strategies which other cities have followed to augment their child care systems. The

next phase will also assess these strategies for their applicability to Milpitas, estimate their cost to implement, and provide a basis for community discussion.

INTRODUCTION

This report, commissioned by the City of Milpitas, begins the process of assessing the need for child care in Milpitas. During the last several years, many communities throughout California have followed a similar process, only to discover that the availability and quality of child care for children from birth through age 12 can directly impact the quality of life for residents, employees, and employers. Cities and counties in California have taken many steps toward improving the amount and quality of child care, ensuring that the future of their community, as represented by their children, is enhanced.

This report focuses on assessing the needs of Milpitas's residents, employers, employees, and providers with respect to child care. A subsequent report will explore the strategies that other communities have followed to improve child care, as well as begin to formulate recommendations about the appropriateness and cost of the most successful strategies for the City of Milpitas.

Research for this report included analysis of demographic data from the 1980 and 1990 Censuses; discussions with elected officials, the Milpitas Planning Department, and the Milpitas Unified School District; review of land use regulations; a survey of large and small employers; a survey of employees; and a survey of providers of child care in Milpitas. Research also included collection and analysis of child care supply data from the Community Coordinated Child Development Council of Santa Clara County (the 4-C Council).

The following describes the demographic trends affecting child care needs in Milpitas, outlines the child care system as it currently operates, summarizes findings from surveys of employers and employees, provides an estimate of child care demand now and for the next five years, identifies barriers to the provision of child care, and provides conclusions about the need for child care system improvements in Milpitas.

DEMOGRAPHIC OVERVIEW

For any community, factors such as the number and age of children, the family structure, occupational characteristics, household income levels, and the number and type of jobs can affect the need for child care. This section provides an overview of demographic composition of Milpitas. The following section explores demographic characteristics for Milpitas's residents in more detail to determine child care needs.

It should be noted that the following analysis presents the most recent demographic data available. The 1990 Census data are currently being released in stages and are subject to revision. Wherever possible actual 1990 Census data have been incorporated in this report.

Population and Household Characteristics

Milpitas experienced substantial population growth from 1980 to 1990, putting pressure on the existing child care system. As shown on Table 1, total population in Milpitas grew from 37,820 in 1980 to 50,686 in 1990, an annual growth rate of 3.0 percent. This growth rate was significantly higher than that experienced by Santa Clara County as a whole (1.5 percent) or the State (2.3 percent).

This growth pattern has continued through the remainder of 1990 and 1991. As of the beginning of 1992, the State Department of Finance has estimated Milpitas's population at 54,368. However, according to the Milpitas Department of Planning, future growth in Milpitas will be limited, as the available supply of vacant residential land is nearly exhausted. With current land use designations, Milpitas will reach buildout within the next five years at current growth rates, with a buildout population of roughly 60,000. Actual population at buildout will depend on household size, vacancy factors, and possible changes in land use designations for hillside areas.

Milpitas also experienced rapid household growth between 1980 and 1990, with an annual growth rate of 2.2 percent (see Table 1). This growth was more rapid than experienced in the County (1.3 percent) or the State (1.9 percent). Because population growth was more rapid than household growth in Milpitas, average household size increased from 3.27 in 1980 to 3.37 in 1990. Milpitas had a large average household size relative to the County (2.81) and the State (2.79).

As shown on Table 1, Milpitas has a greater proportion of households with children than Santa Clara County or the State. Almost half of the households in Milpitas have one or more children,

compared to only 36 percent in Santa Clara County and 38 percent in California. In Milpitas, 81 percent of the households were family households (i.e., households containing related individuals) in 1990, a greater proportion than in the County (69.1 percent) or the State (68.8 percent). Average family size in 1990 in Milpitas was relatively large, at 3.63 persons, compared to 3.30 persons in Santa Clara County and 3.32 persons in the State.

Age Distribution

In 1990, there were approximately 9,700 children in Milpitas under 12 years of age, representing 19.1 percent of the population (see Table 1). This is a greater proportion of children under 12 years of age than in Santa Clara County (16.7 percent) or the state (18.3 percent).

Children under age three make up over one quarter of the children under 12 years of age in Milpitas. A similar concentration of young children is evident in the County and the State as a whole.

Ethnicity

Milpitas has a diverse ethnic mix, with only 42 percent of the population classified as White-Non-Hispanic (see Table 2). Asian/Pacific Islanders constitute over 33 percent of the population, followed by Hispanics at 18.6 percent, and Blacks at 5.5 percent. All other races/ethnicities each had less than one percent concentrations. The Asian/Pacific Islanders represent a diverse community of nationalities, with the three major groups being Filipinos, Chinese, and Vietnamese, at 35 percent, 23 percent, and 21 percent, respectively, of the Asian/Pacific Islander category.

Income Distribution

Milpitas is relatively affluent compared to Santa Clara County and the State. Median household income for Milpitas in 1989 was \$55,370, compared with \$48,115 for the County and \$35,798 for California. Almost 58 percent of Milpitas households had incomes of \$50,000 or more (see Table 3), while only 48 percent of the households had these incomes in the County, and only 33 percent in the State. The greatest proportion of households in Milpitas (32 percent) fell between \$50,000 and \$74,999 in 1989.

Table 1: Population, Household, and Age Trends in Milpitas, Santa Clara County, and California

	MILPITAS			SANTA CLARA COUNTY			CALIFORNIA		
	1980	1990	Annual Change 80-90	1980	1990	Annual Change 80-90	1980	1990	Annual Change 80-90
Total Population	37,820	50,686	3.0%	1,295,071	1,497,577	1.5%	23,667,902	29,760,021	2.3%
Number of Households	11,335	14,099	2.2%	458,519	520,180	1.3%	8,629,867	10,381,206	1.9%
Average Household Size	3.27	3.37		2.76	2.81		2.68	2.79	
Average Family Size	3.64	3.63		3.35	3.30		3.31	3.32	
Age Distribution	1980		1990		1980	1990	1980	1990	
	Number	Percent	Number	Percent					
Under 1 Year	750	2.0%	745	1.5%	1.5%	1.3%	1.6%	1.4%	
1 - 2	1,350	3.6%	1,790	3.5%	2.7%	3.2%	2.9%	3.5%	
3 - 4	1,283	3.4%	1,694	3.3%	2.7%	2.9%	2.8%	3.2%	
5 - 6	1,314	3.5%	1,698	3.4%	2.6%	2.8%	2.7%	3.1%	
7 - 9	2,164	5.7%	2,328	4.6%	4.4%	4.0%	4.3%	4.4%	
10 - 11	1,439	3.8%	1,407	2.8%	3.3%	2.5%	3.1%	2.8%	
12 - 13	1,408	3.7%	1,341	2.6%	3.2%	2.4%	3.0%	2.6%	
14 - 17	3,189	8.4%	2,476	4.9%	7.3%	4.8%	6.8%	5.1%	
18 - 24	4,967	13.1%	5,426	10.7%	14.2%	11.4%	13.7%	11.5%	
25 - 34	7,984	21.1%	11,993	23.7%	18.8%	21.2%	17.9%	19.1%	
35 - 54	8,677	22.9%	14,233	28.1%	23.7%	27.2%	21.9%	25.3%	
55 - 64	1,862	4.9%	3,096	6.1%	8.2%	7.5%	9.3%	7.5%	
65 and over	1,433	3.8%	2,459	4.9%	7.5%	8.7%	10.2%	10.5%	
Median Age	26.3		30.6		29.1	31.9	29.9	31.5	
Household Type:									
Family Households	83.3%		81.0%		70.7%	69.1%	68.8%	68.8%	
Non-Family Households	16.7%		19.0%		29.3%	30.9%	31.2%	31.2%	
Households with Children									
Under 18 Years			49.8%		36.4%		37.6%		

Source: Bay Area Economics, based on information from 1980 and 1990 U.S. Censuses.

Table 2: 1990 Ethnicity in Milpitas, Santa Clara County and California

	<u>Milpitas</u>	<u>Santa Clara County</u>	<u>California</u>
Non-Hispanic			
White	41.9%	58.1%	57.2%
Black	5.5%	3.5%	7.0%
American Indian, Eskimo, or Aleut	0.7%	0.4%	0.6%
Asian or Pacific Islander	33.1%	16.8%	9.1%
Other Race	0.2%	0.2%	0.2%
Hispanic	18.6%	21.0%	25.8%
Total Population	50,686	1,497,577	29,760,021

Breakdown of Asian and Pacific Islander Population for Milpitas (a)

Chinese	22.6%
Filipino	35.0%
Japanese	3.2%
Asian Indian	7.6%
Korean	4.7%
Vietnamese	21.2%
Other	5.7%

Note:

(a) This distribution includes 816 Asian and Pacific Islanders classified as Hispanic.

Source: 1990 Census STF1; Bay Area Economics.

Table 3: 1989 Household Income Distribution for Milpitas, Santa Clara County, and California

	MILPITAS		SANTA CLARA COUNTY		CALIFORNIA	
<u>Household Income Distribution</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$15,000	1,036	7.3%	58,162	11.1%	1,969,258	18.9%
\$15,000 - \$24,999	843	5.9%	53,469	10.2%	1,576,520	15.2%
\$25,000 - \$34,999	1,649	11.6%	64,170	12.3%	1,530,233	14.7%
\$35,000 - \$49,999	2,462	17.3%	95,514	18.3%	1,888,147	18.2%
\$50,000 - \$74,999	4,528	31.8%	124,592	23.9%	1,909,072	18.4%
\$75,000 - \$99,999	2,073	14.6%	66,624	12.8%	792,419	7.6%
\$100,000+	1,646	11.6%	59,509	11.4%	734,051	7.1%
Total	14,237	100.0%	522,040	100.0%	10,399,700	100.0%
Median Household Income	\$55,730		\$48,115		\$35,798	

Source: 1990 U.S. Census STF3, 1989 income of 1990 households; Bay Area Economics.

Occupation and Employment

Occupations of Employed Residents. Occupation and journey-to-Work data are presented in Table 4. It should be noted that these are data for employed residents in each area, not for workers. In Milpitas, just under 30 percent of residents are in executive/administrative and professional occupations, 26.6 percent are in production/craft or operator/laborer occupations, and 26.3 percent are in sales and administrative support. In general, Milpitas residents are less likely to be in executive/administrative and professional occupations than the County, and more likely to be in technical, production/craft, and operator/laborer occupations. Despite the fact that Milpitas has this lower concentration of white-collar residents, household incomes in Milpitas are higher than the County's; this is probably related to the higher labor force participation rates by women, and the lower proportion of single-adult households as described in the Resident Needs section below.

Milpitas residents who work tend to have longer journeys to work than working residents of the County as a whole or the State. Fifty-nine percent of Milpitas's employed residents commuted 20 minutes or more to work, as compared to only 56.2 percent of County residents and 53.8 percent of State residents. The Milpitas commute patterns are confirmed by Census data on the number of employed residents who hold jobs within Milpitas; only 21 percent of Milpitas's employed residents work within Milpitas. Thus, almost 80 percent of Milpitas's working residents commute to jobs outside of the City.

These data have implications for child care; it is likely that many residents of Milpitas with children cannot choose child care that is both close to home and close to work. Some of those commuting out of Milpitas may choose child care outside the City, thus lessening the overall demand for child care in the City. This lowering of need for child care due to out-commuters is estimated below in the Demand for Child Care section.

Employment. Milpitas has experienced significant job growth during the past twelve years as shown on Table 5. According to *Projections '90*, published by the Association of Bay Area Governments (ABAG), jobs in Milpitas grew at an annual rate of 8.9 percent between 1980 and 1990, far surpassing job growth rates for the County (2.3 percent) and for the Bay Region (1.9 percent). In 1990, ABAG estimates that Milpitas had a total of 37,820 jobs, a 4.2 percent share of County employment. In contrast, Milpitas's population was only 3.4 percent of total County population.

ABAG also projects that Milpitas's employment base will continue to grow faster than the County or the Region. Between 1990 and 1995, ABAG estimates that Milpitas will add 10,700 jobs, for

an annual growth rate of 5.1 percent compared to a County growth rate of 2.1 percent and a regional growth rate of 2.2 percent.

Summary

In summary, Milpitas has experienced substantial growth in population and households since 1980, and has a high proportion of households with children. Almost 20 percent of the population is under 12 years of age. Milpitas is relatively affluent with almost 58 percent of the households earning incomes of \$50,000 or more, and higher median incomes than the County or the State. Milpitas is an ethnically diverse community, with a relatively large concentration of Asian/Pacific Islanders. This diversity may result in differing child care usage patterns due to different cultural traditions, family structures, and needs.

Employment has also grown rapidly in Milpitas. As more companies start up or move to the City, the availability of child care oriented to employees will likely become an aspect influencing the economic development of the area.

Table 4: 1990 Occupation and Journey to Work for Milpitas, Santa Clara County, and California

Employment by Occupation	Milpitas		Santa Clara County		California	
	Number	Percent	Number	Percent	Number	Percent
Executive/Administrative	3,644	14.0%	131,775	16.3%	1,939,417	13.9%
Professional	4,139	15.9%	150,306	18.6%	2,057,087	14.7%
Technical	1,883	7.2%	49,405	6.1%	527,367	3.8%
Sales	2,521	9.7%	86,644	10.7%	1,690,007	12.1%
Administrative Support	4,343	16.6%	127,907	15.9%	2,319,459	16.6%
Services	2,403	9.2%	79,595	9.9%	1,733,777	12.4%
Production/Craft	3,209	12.3%	85,578	10.6%	1,548,625	11.1%
Operators/Laborers	3,722	14.3%	84,576	10.5%	1,798,201	12.8%
Farm	223	0.9%	11,131	1.4%	382,369	2.7%
Journey to Work (In Minutes)						
0 - 9 Minutes	2,838	11.0%	83,668	10.5%	1,770,440	12.7%
10 - 19 Minutes	7,194	27.9%	245,348	30.8%	4,221,541	30.3%
20 - 29 Minutes	6,686	26.0%	192,605	24.2%	2,694,728	19.3%
30 + Minutes	8,501	33.0%	254,998	32.0%	4,800,674	34.4%
Worked at Home	538	2.1%	19,986	2.5%	452,867	3.2%

Source: 1990 U.S. Census STF3; Bay Area Economics.

Table 5: Growth in Employment, 1980-1995

	1980	1985	1990	Annual Change 80-90	1995	Annual Change 90-95
Milpitas	16,059	27,200	37,820	8.9%	48,510	5.1%
Santa Clara County	702,922	801,010	881,710	2.3%	980,550	2.1%
Bay Region (a)	2,535,155	2,758,170	3,073,280	1.9%	3,418,900	2.2%

Notes:

(a) Bay Region is Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

Source: Association of Bay Area Governments, "Projections '90"; Bay Area Economics.

THE MILPITAS CHILD CARE SYSTEM

Like most communities in California, the child care system in Milpitas is a combination of many types of care provided by large centers, family child care homes, unlicensed providers, friends and relatives, and city- and school-district sponsored after-school and recreational programs. In addition, due to the "patchwork" way that child care has been regulated, funded, and planned for across the U.S., the Milpitas system is affected by a wide range of organizations and agencies.

This section outlines the child care system from both a quantitative and qualitative standpoint. It is important to consider child care as a system because its parts are interrelated - improvement in the quantity and quality of child care in Milpitas depends on understanding and working with the system as it currently exists.

Inventory of the Child Care Supply

This section quantifies the supply of organized child care, which consists of family child care homes and child care centers that are licensed by the State of California and certain license-exempt facilities. "Small" family child care homes are defined as those that serve no more than six children; "large" family child care homes serve between seven and 12 children. Both small and large homes must meet health and safety standards to obtain a license. Centers, those facilities not in a home and serving more than 12 children, must meet health and safety standards, staffing requirements, and fire codes to obtain a license. This section also includes in its count certain license-exempt programs which would otherwise need to be licensed based on the number of children served, such as child care centers administered by school districts and programs serving children for fewer than 12 hours a week and 12 weeks per session. These license-exempt programs are described in more detail in a subsequent section.

Other types of unregulated child care exempt from licensing also exist in most communities including Milpitas. These care types include family child care homes serving only children from one other family, and paid care that takes place in the parent's own home. It is also likely that there are some unlicensed child care providers who are not license exempt (e.g., babysitters providing care in their own home to more than one child not their own, from more than one family). These types of care are difficult to quantify because care is often provided informally by relatives and friends. Thus, the following discussion does not incorporate these types of unregulated child care in Milpitas.

The Community Coordinated Child Development Council of Santa Clara County (also known as the 4-C Council) is the resource and referral agency responsible for tracking the total number of organized child care spaces as well as spaces available at any given point in time. These data are used to provide referral services to any resident in Santa Clara County seeking information on available child care spaces.

Organized Child Care Supply. The 4-C Council maintains an extensive data base on supply and vacant spaces for the entire County. It is important to note that these data include only currently provided spaces and active providers; there are many holders of child care facility licenses that either have ceased to actually offer care or choose to offer fewer spaces than they are licensed for.

As shown on Table 6, there are currently 123 facilities providing organized child care in Milpitas, including 104 family homes and 19 centers. These facilities provide a total of 2,458 spaces for children aged zero through 12 years.

The family homes provide about 31 percent of total spaces, while centers have 69 percent of all spaces. Family homes provide the vast majority of all spaces for infants; of the total of 329 spaces for this age group, over three-fourths are located in family homes. The predominant type of facility shifts for older age groups. For children age two to five, there are a total of 1,376 spaces, with 1,075 spaces, or 78 percent, located in child care centers. For school-aged children, Milpitas has 753 spaces, with 73 percent in centers. This information suggests that strategies for improving child care, if segmented by age of child, could be targeted to different types of facilities.

Vacant Spaces and Cost of Organized Facilities. Table 7 presents information on the number of vacant spaces available at organized facilities in August, 1991, the most recent date for which this information is available. As indicated, overall vacancy rates for child care centers at that time were low, ranging from zero to three percent, depending on the age of the child. In contrast, family homes appeared to have numerous available but vacant spaces, with vacancy rates ranging from 13 to 22 percent, depending on the child's age. In general, school-age children needing after-school care faced the most limited supply of available spaces; only three percent of all spaces for this age group were vacant.

Table 7 also contains data regarding the average cost for care by age group and type of facility. In general, child care centers charged somewhat higher fees than family homes for child care. Infants aged zero through two had the highest fees across both types of care, while preschool and school-aged fees were similar among the same types of facilities.

Table 6: Current Organized Child Care Supply in Milpitas (March-April 1992)

<u>Number of Facilities</u>	<u>Number</u>	<u>Percent</u>
Family Homes	104	84.6%
Centers	19	15.4%
Total	123	100.0%

	Family Child Care Homes		Centers		Totals	
<u>Number of Spaces</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Age 0 to 2	254	77.2%	75	22.8%	329	100.0%
Age 2 to 5	301	21.9%	1,075	78.1%	1,376	100.0%
Age 5 +	201	26.7%	552	73.3%	753	100.0%
Subtotal	756	30.8%	1,702	69.2%	2,458	100.0%

Sources: Community Coordinated Child Development Council of Santa Clara County, Inc.; Bay Area Economics

Table 7: Supply, Vacancy, and Average Cost Information, August 1991

Age	Center		Family Day Care		Total Capacity	Vacancy Rate
	Capacity	Vacancy Rate	Capacity	Vacancy Rate		
Infant	75	0%	237	21%	312	16%
Preschool	1,025	3%	329	22%	1354	7%
School Age	537	0%	174	13%	711	3%
Total (a)			740			

Cost	Center	Family Day Care
Infant (Full Time)	\$137.67/week	\$88.79/week
Preschool (Full Time)	\$92.23/week	\$79.64/week
School Age (Full Time)	\$92.73/week	\$79.35/week
School Age (Before/After School)	\$46.20/week	\$2.75/hour

(a) Figures may vary from other tables due to different date of data collection.

Sources: Community Coordinated Child Development Council of Santa Clara County, Inc.; Bay Area Economics

Description of the Child Care System

Child Care Programs. In addition to the supply of licensed spaces for child care in family homes and child care centers, there are several other organized child care programs in Milpitas.

Headstart. Headstart is a comprehensive program for three to five year old children from very low income families. It includes a half day child development program, health and nutrition services, and involves parents in the education of their children. Headstart operated a program in Milpitas from 1978 to 1985, but it closed when funding was transferred elsewhere. In the fall of 1991, the program reopened. It currently has one class, located at Rose School, serving 40 children from three to five years old. Headstart has a small waiting list, and the director believes the program only serves 18 percent of eligible children. A small number of families living on the periphery of Milpitas attend Headstart programs in San Jose.

Since Headstart is in the same building as one of the State-funded child development programs, the two programs collaborate where possible. For example, they share training resources and parent education services.

Programs in the Public Schools. Many school districts in California administer child development programs; however, Milpitas is exceptional in the collaborative arrangements it has entered into with other public entities in order to augment services for eligible children who need preschool and before and after school child care.

The Milpitas Unified School District sponsors two Child Development Centers for preschoolers. The Rose Center and the Sunnyhills Center together have about 160 children; about 116 are subsidized through the California Department of Education. These subsidies are for income-eligible families and are based on both income guidelines and need for care. Families pay fees based on a State sliding scale and the fees increase as incomes rise until the family pays the full fee.

The programs are open five days a week for 11 hours a day. The programs are economically integrated, with some parents paying fees on a sliding scale and others paying the full cost. The centers offer a comprehensive approach to family needs through provision of health and social services, parent education, and nutritional services. They also administer a preschool early intervention program that increases staff and parent capability to work with special behavioral problems.

The District also offers a Satellite Family Day Care Home Program to augment the centers. This program provides services in seven small homes for about 30 children. It serves Headstart as well as some of the children in the child development programs. School buses take the children back and forth from the satellite homes to the Child Development Center so that the children have both a preschool center experience and family child care home experience. This collaborative approach also offers Headstart families the option of full day care since Headstart is a half day program.

The School District offers an after-school and summer child care program in collaboration with the City Leisure Services Department. The program is housed at four schools: Rose, Randall, Spangler, and Pomeroy Elementary Schools. There are approximately 240 children served between kindergarten and 6th grades; about 44 of these children are subsidized through the California Department of Education. School buses transport children from their elementary school to the program sites. The City Leisure Services Department provides two recreation staff people for two hours per day during the school year and for eight hours per day during the summer to work along with the District staff.

Lastly, the District has a program for teenage mothers called Young Mothers. A Federal Social Services Block Grant provides \$5,000 for the infant program which provides child care services while the young mothers are in school.

City-Sponsored Programs. Through its Leisure Services Department, the City of Milpitas offers three programs that can provide partial child care.

The preschool program serves 60 children from 2.5 to five years old in each of five sessions per year. This preschool program operates six hours a week, and therefore does not meet the needs of working families looking for child care. Leisure Services also offers a one hour per week Parent-Tot program for children aged 1.5 to five years and their parents. Both of these programs often have waiting lists, depending on the time of year.

The youth programs operate during the summer and offer two-week sessions for day camp programs. There are 40 slots in each camp session with a total of about 600 slots over the summer. Since a child may re-enroll for succeeding sessions, the total number of 600 slots is more than the number of children served. Most sessions have waiting lists. Extended care is offered before and after camp each day so that children can be cared for from 7:30 AM to 6:30 PM, if necessary. Since children can re-enroll all summer, this program can provide continuous child care for working parents. In addition, there are winter holiday camps during the school year.

The after school drop-in programs meet at three school sites for a three-month session and then rotate to other school sites during the school year. Recreation leaders are on site for 1.5 hours each school day and about 25 to 30 children are served per site per day. A similar program is offered in the summer for four hours a day at four parks. This program may partially address the need for child care; however, the hours are limited and no records of attendance are kept so some parents may hesitate to use these programs for child care.

Child Care Subsidies. Families needing help paying child care fees in Milpitas face several barriers. First, they must identify where to find subsidized care. There is no one point of access, which is difficult for any parent, but especially difficult for families with limited English or those inexperienced at finding resources. Second, they must learn about the different subsidy systems available and the eligibility rules. Third, they may have to select their child care based on the availability of a subsidy rather than on other family needs. Finally, the availability of a subsidy generally depends on the age of the child, which may limit the ability of low income families to provide continuous care.

Currently, the largest number of subsidized slots are available through the School District's child development preschool and school programs. There are subsidies for about 116 full time preschool children and about 44 school age children.; however, these subsidies are in great demand, and families must get on a waiting list. The District also has a \$6,000 grant from the Federal Government to use for tuition of before- and after-school care.

Tri Cities Children's Center, a non-profit preschool center licensed for 41 children, reserves about 25 of its slots for families subsidized through a contract with the California Department of Education. Eligibility is the same as for the School District programs and families pay fees on the same State sliding scale.

All of the 40 Headstart spaces described above are subsidized.

In addition to the above subsidies, there are between ten and fifteen families in Milpitas that are subsidized from other sources. For example, the California Department of Education contracts with two organizations in the Santa Clara County area, PACE and Choices for Children, to administer subsidies for low income working families. At any one time, there are fewer than ten families served in Milpitas. Four or five other families receive subsidies because they participate in the County GAIN program or are in job training programs funded by the Job Training Partnership Act. Access to these subsidies, which may be used in a variety of sites, is limited to parents in GAIN or JTPA. There is no central point of access in Milpitas whereby families can learn about eligibility for subsidies.

Child Care Food Programs. Family child care providers can join one of several umbrella organizations that offer access to the Federally-funded Child Care Food Program. This program partially reimburses expenses for enrolled children's food in return for the provider's agreement to serve meals and snacks that meet Federal nutritional standards. All of the umbrella organizations serving Milpitas child care providers are headquartered outside of Milpitas but within Santa Clara County. Participating organizations include 4-C Council of Santa Clara County, KTM, Choices for Children, and Monterey Bay Economic and Social Opportunities.

Resource and Referral. The State of California provides funding to a network of independent non-profit organizations throughout the State known as Resource and Referral agencies (also known as R & Rs). In general, these agencies monitor available child care openings within their area, and provide referrals to telephone callers. Most R & Rs also provide assistance to child care providers for start-up, provide parent counseling on selection of child care, as well as a variety of other programs, depending on the structure of the agency. Some R & Rs also contract with individual cities or private corporations/foundations to provide additional services such as in-person referrals, business education seminars, and teacher training. This concept of contracting with the existing Resource and Referral agency for additional services has been successfully utilized throughout California.

The R & R serving Milpitas is the Community Coordinated Child Development Council of Santa Clara County (also called the 4-C Council), headquartered in San Jose. The 4-C Council maintains a current database of all child care centers and family child care homes that are in operation in Milpitas as well as the entire County. The cities of Sunnyvale and Palo Alto have contracted with the 4-C Council for additional services including teacher recruitment, training, and provider retention activities to expand the number and quality of family child care home providers in their communities.

During fiscal year 1990-91, the 4-C Council provided child care referrals for 283 children residing in Milpitas, of which 134 were infants, 88 were preschoolers, and 61 were school age. During a referral, parents are offered information on choosing child care as well as information on organizations administering subsidy funds.

The 4-C Council also provides technical assistance and information to new and existing caregivers. They offer workshops and seminars on subjects of interest to child care providers, and provide documentation on child care demand and supply to citizens and policy makers.

Although these services are available to parents and caregivers in Milpitas at no cost, many are unaware of the existence of the 4-C Council. This is due to the fact that the 4-C Council is based in San Jose and serves a wide geographic area of which Milpitas is a small part.

There are also several private for-profit referral organizations which serve Milpitas, including Baby Minder Finders, National Day Care, and KTM. These private referral organizations charge parents and providers for their referral services, and do not offer the wide range of other information on parenting, community resources for families and assistance for providers as the State-funded 4-C Council.

Provider Support and Advocacy Organizations. There are also several organizations which provide support and advocacy to local child care providers in Milpitas.

Family Child Care Associations. There are two family day care associations which serve Milpitas: the Santa Clara Family Day Care Association and Partners in Child Care. Both are based out of San Jose and neither has a branch in Milpitas.

The Santa Clara Family Day Care Association is a branch of the California Federation of Family Day Care and has over 400 members in Santa Clara County. They offer monthly meetings with topics from "the Business of Day Care" to "Parent-Provider Relationships" as well as an annual conference and a Fair. The organization has a health and liability insurance plan available to members.

Partners in Child Care was formed in 1990 and has about 100 members in Santa Clara County. They offer both health and liability insurance programs, as well as monthly meetings to provide training on a variety of subjects and mutual support. The organization offers field trips for providers and children to decrease the feelings of isolation among caregivers.

In addition to provider associations, there is an umbrella organization called the Santa Clara Child Care Coalition. Its members include individual centers, provider organizations, Community Care Licensing, Community Health Services, etc. The Coalition not only provides an opportunity for networking, but also keeps abreast of legislative issues and addresses issues of mutual concern to the various groups.

The Professional Association for Childhood Educators (PACE). This organization represents child care center programs in the Northern California area. Its membership privileges include access to group rates for liability insurance, educational conferences, financial management

workshops, and through its Child Care Vendor Payments Program, access to subsidized child care slots.

The Child Care Law Center. Located in San Francisco, this organization offers legal services, technical assistance, and representation for child care providers in the areas of State regulations, business, tax, and public benefit law. They provide educational workshops, seminars, and information through publication and newsletters.

The Child Care Employee Project (CCEP). This organization provides on-going research, advocacy, and support for child care teachers regarding salaries, benefits, and working conditions. CCEP offers educational workshops, mediation services between providers and employees, numerous publications, and a regular newsletter to members. CCEP is active in pursuing legislative reform which will improve the economic livelihood of child care workers, their rights as an identifiable group in the labor force, and respect for people who choose to be teachers of young children.

Child Care Training Services. Staff members in child care centers must meet the training requirements set by the State Department of Social Services Community Care Licensing. The major sources of this training for Milpitas are the community colleges, in particular De Anza College, Evergreen Valley College, Ohlone College, and San Jose City College, and San Jose State University.

The colleges also offer short courses on special topics of interest to caregivers. This training is available both on the campuses and off-site in local communities. Almost none of these classes are offered in Milpitas.

As mentioned above, 4-C Council of Santa Clara County offers workshops and classes for caregivers, and the provider organizations offer training at their monthly meetings in San Jose and at their annual conference.

Regulatory Agencies. There are several state agencies which interface with child care services in the Milpitas area. The State Department of Social Services Community Care Licensing Department regulates the licensing of all child care centers and family child care homes. Child care center providers must meet minimum health and safety code requirements which include square footage requirements for indoor and outdoor play space, emergency procedures, child intake procedures, immunizations, and evacuation plans. Licensing requirements regulate director and teacher academic and experience requirements for center programs only.

The State Department of Education administers the Child Care Food program in coordination with local organizations such as resource and referral agencies. Center teachers and directors in publicly funded programs must also meet higher academic and experience requirements administered through the Commission for Teacher Licensing Children's Center Instructional Permit credentialing process.

Center programs funded by the State are reviewed by State Department of Education consultants who measure the programs' contract for child development services using a standardized instrument called the Program Quality Review.

Another State agency which interfaces with child care center programs and family child care homes is the State Fire Marshall's Office, which must approve sites for fire safety prior to licensing. All center teachers, aides, owners, directors and family child care providers (and their spouses and/or other adults living in the home) must have their fingerprints taken and cleared with the FBI.

Funding for Child Care Services. Public funding for child care in the U.S. is provided both directly, by State and Federal funding programs, and indirectly, through various tax incentives.

Direct State and Federal Funding. The major source of funding for child care services is the State of California, which provided over \$300 million in 1991. Much of this funding pays for the provision of subsidized spaces as described previously.

The Federal government provides over \$100 million for Headstart programs in California. Other limited funding for child care services comes from a combination of State and Federal funds for welfare recipients who participate in the Greater Avenues For Independence (GAIN) program.

In 1991, the Federal government initiated two new sources of funds for child care services. The first, referred to as Block Grant funds, targets low income families, and will bring about \$78 million into the State. The funds were allocated by the State to each county under a formula that took into account need and existing resources. For example, \$1.591 million was allocated to Santa Clara County. Each county was required to develop priorities, reflecting county needs, for the use of the funds. In Milpitas, the Child Development Program sponsored by the School District applied for \$873,800 to serve 25 additional infants, 48 more preschoolers, and 140 additional school age children. In June 1992, the District was informed that the application was not funded. Thus, Milpitas will not receive any of these new Federal funds.

The second source of new Federal funding, Title IV-A funds, are targeted toward helping families at risk of going on welfare. About \$36 million will come into California from this funding source. These funds must be matched by State-funded subsidy programs and are allocated to each county using the same formula as for the Block Grant. The first round of applications for Title IV-A funds has been restricted to local agencies currently funded by the State for alternative payment programs, which allow for parent choice of child care provider. Thus, the Title IV-A funds effectively reinforce the parent choice programs already in place. Since the funding "moves" with the family, the Title IV-A matching funds could ultimately pay for spaces in Milpitas; however, no spaces already funded by the prerequisite State-funded alternative payment program were identified during the course of research for this study in Milpitas. A second round of funding allowing a broader definition of matching funds is currently in its application phase; the Child Development Programs of the Milpitas Unified School District are preparing an application.

Indirect Funding Sources. The Federal and State tax systems provide indirect subsidies to working families. The two general sources of these subsidies are State and Federal tax credits and the Dependent Care Assistance Plan (DCAP).

The Federal tax system allows for several types of tax credits for child care. The Adult and Dependent Care Credit, available to all users of paid child care, allows for up to a \$200+ credit per child per year, depending on earned income levels and the amount spent on child care.

Low income families can also utilize the Federal Earned Income Tax Credit. To be eligible, a family must have an adjusted gross income of less than \$21,250. There is also a Young Child Supplement for couples where one parent stays home to care for a child under one year old. The State allows families to claim a percentage of their child care expenses as a credit on their tax form.

The Dependent Care Assistance Plan (DCAP) is a form of IRS-regulated employee benefit plan which can be offered by employers. DCAP enables employees to apply up to \$5,000 of their salary toward payment of child care services or other forms of dependent care (e.g., elder care). Since an employee's salary is applied toward payments on a pre-tax basis, both the employer and employee "save" taxation of that amount of salary by FICA and Social Security. The employer administers the DCAP either itself or through a third party, and payments are made directly to the care provider.

Summary of the Child Care System

As suggested by the preceding discussion, the child care system in Milpitas is characterized by numerous public, private, and non-profit providers and support organizations. While the system allows for parental choice, its nature makes regulation of quality, provision of subsidies, and overall access difficult at best. This situation is very typical of child care throughout California and the U.S.

RESIDENTS' NEEDS

To assess the need for child care in Milpitas, the status of working parents, their income levels, and related characteristics must be ascertained. Some needs assessment efforts include a resident survey, which can ask respondents about their child care use patterns and their positive and negative experiences finding quality care.

A resident survey was not conducted for this study. Instead, resident needs are assessed in this section through a detailed analysis of certain data available through the 1990 Census. In addition, a discussion is included of national trends in child-care usage.

Women in the Labor Force

One critical factor which affects child care demand is the labor force participation rate for women. In Milpitas, the proportion of women in the labor force is very high (see Table 8). Sixty-eight percent of all female Milpitas residents were in the labor force, compared with 64 percent for the County and 58 percent for California in 1990.

Rates for women with children in Milpitas were even higher. For women with children only under age six, the labor force participation rates for Milpitas, Santa Clara County, and the State are 70 percent, 63 percent, and 58 percent, respectively; for women with children only age six to 17, the labor force participation rates are 80 percent, 75 percent, and 72 percent, respectively. For women with children spanning the age ranges of under six and six to 17, the rates are 63 percent, 62 percent, and 55 percent, respectively. Based solely on these high labor force participation rates among women with children, Milpitas is likely to experience high demand for child care services.

Family Status

The status of the family in which children live (e.g., single parent households versus two-parent households) can impact the demand for child care. In 1990, Milpitas had 13,479 children under the age of 18 (see Table 9). Approximately 73 percent of these children were living in married couple households. Milpitas had a higher proportion of children under 18 years of age living in married couple households than Santa Clara County (71 percent) or the state (68 percent). Approximately 14 percent of the children in Milpitas lived in single parent households, compared to 17.3 percent in the County and 20.1 percent in the State. Of the remaining population under 18 years of age in Milpitas, 9.5 percent lived with other relatives, 2.6 percent lived in households

with non-relatives and 0.6 percent lived in group quarters. Children in households which were not married-couple households were more likely to be living with their mothers rather than their fathers; 11 percent of Milpitas children were living in single-mother households, while only three percent were living in single-father households. In fact, a higher proportion lived with other relatives than lived with their fathers.

For children in families with at least one of their own parents, detailed data by age from the 1990 Census have just become available and are presented in Table 10. Echoing the results for all children under 18, it appears that for most age groups, these Milpitas children are more likely to be in married-couple families than children in the County as a whole or the State. Interestingly, this trend was strongest among young children; for example, in Milpitas, 90 percent of these children under age three were living in married couple families, compared to 87 and 82 percent respectively in the County and State.

Table 10 highlights the proportion of children under age 12 living in single-parent households. Of the total of 8,204 children under age 12 in Milpitas that live with one or both parents, 984, or approximately 12 percent, live with only one parent. Of these children, almost 700 live in a single-mother household.

Because of Milpitas's ethnically diverse population, one issue of concern is whether there are variations in family type (e.g., extended families) which could lead to different patterns of organized child care use. Table 11 shows that Milpitas does have a slightly higher concentration of extended families than either Santa Clara County or California, as indicated by the higher proportion of persons who are in family households either as grandchildren or other relatives. In Milpitas, 9.6 percent of the population is in these two categories, while the proportions in the County and State are 7.2 percent and 7.0 percent, respectively. These data suggest a slightly higher incidence of extended family situations in Milpitas than in the comparison areas; however, the slight variation does not indicate substantial numbers of in-home relatives that could provide child care.

Children in Poverty

In Milpitas, 762 children, or 5.9 percent of all children, lived in households below the poverty level as defined by the Federal government in 1990; in the County, 10.1 percent of all children resided in such households, and in the State, 17.8 percent of all children were in such households (see Table 12). Thus, Milpitas has a much lower proportion of children classified as living in poverty than either the County or the State.

Table 12 also permits a detailed analysis of children by age by poverty level by family type. For all ages and family types, Milpitas has a lower proportion of children living in poverty than either the County or the State. In Milpitas, as in the two other levels of geography, children in single-mother households are at the highest risk of being in poverty. Fifteen percent of children under five years of age in single-mother households are living in poverty in Milpitas; 24 percent of children five years of age and 23 percent of children age six to 17 in single-mother households are living in poverty. Interestingly, this pattern, where younger children of single mothers are less likely to be living in poverty than older children, is the reverse of the pattern in the County and the State. Milpitas is also different from the other two areas in that children in single-father families are not more likely than children in married-couple families to be living in poverty; in all age categories of children for these two family types in Milpitas, less than five percent of children's households are below poverty level.

These data reflect the overall affluence of Milpitas relative to the County and the State. Nevertheless, it is important to note that the 762 children considered living below the poverty level far exceeds the number of subsidized child care spaces inventoried in the Child Care Supply section of this report. Furthermore, it should be noted that the "poverty level" as defined by the U.S. government in 1990 was \$12,999 per year for a family of four with two children, which is a very low level of income for Bay Area families given the generally high cost of living in the region.

To put the poverty statistics in perspective with respect to child care, the average cost of full time care from Table 7 can be compared with the poverty level income. Assuming the family of four has only one child needing full time care, the average weekly cost of \$90 equals approximately \$4,680 per year, or 36 percent of income. This level of expenditure is higher than the percent of income presumed to be acceptable for housing expenditures by the Federal government (30 percent of income for most affordable housing programs). This situation can be worsened if one assumes that such a family either has more than one child needing care or if the family earns income less than the maximum level defined as "poverty."

This example illustrates the difficulty facing low and moderate income families seeking to increase their incomes by working outside the home; child care costs can be beyond the reach of these families, making it impossible to break the cycle of poverty. Alternatively, parents in low and moderate income families may choose to arrange for unregulated child care, with the risk of lower quality care, or may be forced to let children fend for themselves (i.e., latchkey children).

National Trends in Child Care Usage

Because no resident survey was undertaken for this study (due to budget constraints), it is not possible to exactly determine the current patterns of child care usage by Milpitas households. The demographic data and the labor force data discussed previously give some insight into the degree of need in Milpitas. In addition, there is a considerable amount of information available regarding national trends in usage of child care, especially in publications of the Census Bureau and the Bureau of Labor Statistics. The primary source of data is national surveys documenting the use of child care by working mothers. The following discussion is based on Census data derived from the Survey of Income and Program Participation, a continuing national survey of households conducted by the Census Bureau which collects data on economic and social conditions in U.S. households.

Table 13 presents the most recently published data for working mothers of children under five. Nationally, just under 30 percent of all children under five of working mothers are in child care in their own home, with over half of that care provided by the child's father. This includes fathers who may be unemployed or work a different shift than the mother. Thirty-six percent of children under five are in care in another home; this category includes family day care homes. Just under 25 percent are in day care or preschool, and the remainder are in kindergarten/grad school, care for themselves (less than one-half of one percent), or are cared for by their mother at work. Assuming that all of the children cared for by a nonrelative in another home are in family day care, approximately 47 percent of children under five of working mothers are in organized care. Since some nonrelative care outside the home is likely not to be in family day care, this approximation of roughly 50 percent of children being in organized care may be slightly high. It should be noted also that these statistics show current usage patterns; some children may not be in the desired form of care, and some parents may not even be working due to a lack of appropriate child care.

Child care usage patterns for children five or older are somewhat more difficult to clearly define. For most children, the primary care arrangement is school, with other arrangements being necessary before and/or after school and during school breaks. Most children ages five to 14 of working mothers have no secondary arrangement, indicating that the mothers may not be working full-time. Once again, the survey results indicate actual patterns of usage rather than desired patterns of usage.

The trend in child care nationally has been toward care in day care centers and preschools. In 1977, only 13 percent of children under five of employed mothers were in this kind of care; the figure in 1987, as reported above, was 24 percent. This is probably a function of the dramatic

increase in the proportion of mothers in the labor force. For example, in Milpitas the proportion of mothers in the labor force with children under six increased from 55 percent to 70 percent between 1980 and 1990. This increased participation means that there is substantially increased demand for child care, but may also indicate that the number of potential providers (such as a nonworking relative) outside organized centers is declining, leading to increased demand for center-based care.

While data for Milpitas on child care usage trends are not available, it is likely that Milpitas's experience mirrors national trends. As in the nation as a whole, labor force participation rates among women with children have increased substantially in the last decade; in fact, the rates in Milpitas are higher than state and national rates. Thus, while the distribution of provider types utilized by Milpitas residents cannot be directly determined, this distribution is likely to be similar to the nation's, and the national trend toward organized center care is probably also present in Milpitas.

Summary of Resident Child Care Needs

In summary, Milpitas had approximately 9,700 children under the age of 12 in its population in 1990. Labor force participation rates for Milpitas mothers of children under 18 women are very high; 70 percent of mothers with only children under six are employed or seeking employment. It is likely that almost all of the children under the age of six of working mothers need some form of child care. For school aged children between six and 12 years old, child care is also needed by many working families, particularly those with single parents. Finally, there were approximately 760 children under the age of 18 living below poverty level in 1990; these children probably have a substantial need for subsidized child care.

It is important to note that child care is provided by a variety of licensed and license-exempt facilities, unregulated facilities, friends, neighbors, and relatives in Milpitas, as in most communities in the U.S. Although actual patterns of care use are not known for Milpitas due to the lack of a representative resident survey, it is likely that child care usage patterns roughly parallel national patterns, where approximately half of preschool children are in organized care, i.e., family day care or center care, and that the proportion in organized care is increasing over time.

Table 8: 1990 Labor Force Participation Rates for Women in Milpitas, Santa Clara County, and California

	Milpitas		Santa Clara County		California	
	Number	Percent	Number	Percent	Number	Percent
With Children Under 18 Years						
Under 6 Only						
In Labor Force	1,374	70.1%	33,378	62.8%	599,983	57.5%
Not in Labor Force	585	29.9%	19,759	37.2%	443,581	42.5%
Total	1,959	100.0%	53,137	100.0%	1,043,564	100.0%
6 to 17 Only						
In Labor Force	2,573	80.3%	65,216	75.2%	1,256,464	72.1%
Not in Labor Force	630	19.7%	21,507	24.8%	487,020	27.9%
Total	3,203	100.0%	86,723	100.0%	1,743,484	100.0%
Under 6 and 6 to 17						
In Labor Force	1,071	69.1%	22,060	57.4%	460,118	53.3%
Not in Labor Force	480	30.9%	16,372	42.6%	403,041	46.7%
Total	1,551	100.0%	38,432	100.0%	863,159	100.0%
No Children Under 18						
In Labor Force	6,972	63.1%	249,810	61.8%	4,305,469	55.0%
Not in Labor Force	4,084	36.9%	154,612	38.2%	3,524,029	45.0%
Total	11,056	100.0%	404,422	100.0%	7,829,498	100.0%
All Women						
In Labor Force	11,990	67.5%	370,464	63.6%	6,622,034	57.7%
Not in Labor Force	5,779	32.5%	212,250	36.4%	4,857,671	42.3%
Total	17,769	100.0%	582,714	100.0%	11,479,705	100.0%

Source: 1990 U.S. Census STF3; Bay Area Economics.

Table 9: 1990 Family Characteristics for Milpitas, Santa Clara County, and California

Household Type and Relationship for Persons Under 18 Years	MILPITAS		SANTA CLARA COUNTY		CALIFORNIA	
	Number	Percent	Number	Percent	Number	Percent
Total Persons Under 18	13,479	100.0%	359,207	100.0%	7,750,725	100.0%
In Households:						
Householder or Spouse	9	0.1%	333	0.1%	11,249	0.1%
Own Child:						
In Married Couple Family	9,860	73.2%	254,844	70.9%	5,266,324	67.9%
In Other Family:						
Male Householder, no wife present	433	3.2%	14,659	4.1%	347,283	4.5%
Female Householder, no husband present	1,453	10.8%	47,278	13.2%	1,205,292	15.6%
Other Relatives	1,286	9.5%	30,195	8.4%	673,563	8.7%
Nonrelatives	356	2.6%	9,540	2.7%	207,825	2.7%
In Group Quarters	82	0.6%	2,358	0.7%	39,189	0.5%

Source: 1990 U.S. Census STF1; Bay Area Economics.

Table 10: 1990 Family Type and Age of Children for Milpitas, Santa Clara County, and California

Family Type and Age of Children	Milpitas		Santa Clara County		California	
	Number	As % of Age Group	Number	As % of Age Group	Number	As % of Age Group
In Own Family						
Under 3 Years	1,938	100.0%	58,276	100.0%	1,230,986	100.0%
3 and 4 Years	1,453	100.0%	38,088	100.0%	822,019	100.0%
5 Years	785	100.0%	20,278	100.0%	415,394	100.0%
6 to 11 Years	4,028	100.0%	107,065	100.0%	2,344,774	100.0%
Total	8,204	100.0%	223,707	100.0%	4,813,173	100.0%
In Married Couple Family						
Under 3 Years	1,748	90.2%	50,634	86.9%	1,003,618	81.5%
3 and 4 Years	1,288	88.6%	32,077	84.2%	655,604	79.8%
5 Years	691	88.0%	16,817	82.9%	328,407	79.1%
6 to 11 Years	3,493	86.7%	86,786	81.1%	1,823,956	77.8%
Total	7,220	88.0%	186,314	83.3%	3,811,585	79.2%
Other Family:						
Male Householder, No Wife Present						
Under 3 Years	113	5.8%	2,291	3.9%	67,590	5.5%
3 and 4 Years	25	1.7%	1,389	3.6%	38,353	4.7%
5 Years	35	4.5%	781	3.9%	18,261	4.4%
6 to 11 Years	114	2.8%	4,323	4.0%	103,739	4.4%
Total	287	3.5%	8,784	3.9%	227,943	4.7%
Female Householder, No Husband Present						
Under 3 Years	77	4.0%	5,351	9.2%	159,778	13.0%
3 and 4 Years	140	9.6%	4,622	12.1%	128,062	15.6%
5 Years	59	7.5%	2,680	13.2%	68,726	16.5%
6 to 11 Years	421	10.5%	15,956	14.9%	417,079	17.8%
Total	697	8.5%	28,609	12.8%	773,645	16.1%

Source: 1990 U.S. Census STF1; Bay Area Economics.

Table 11: Persons by Household Type and Relationship for All Households

Persons by Household Type and Relationship	Milpitas		Santa Clara County		California	
	Number	Percent	Number	Percent	Number	Percent
In family households:						
Householder	11,424	22.5%	359,677	24.0%	7,139,394	24.0%
Spouse	9,091	17.9%	281,598	18.8%	5,469,522	18.4%
Child:						
Natural-born or adopted	15,362	30.3%	417,983	27.9%	8,576,200	28.8%
Step	735	1.5%	19,013	1.3%	441,294	1.5%
Grandchild	898	1.8%	21,989	1.5%	493,080	1.7%
Other relatives	3,965	7.8%	86,286	5.8%	1,589,611	5.3%
Nonrelatives	1,785	3.5%	48,913	3.3%	921,697	3.1%
In nonfamily households:						
Householder living alone	1,693	3.3%	112,935	7.5%	2,429,867	8.2%
Householder not living alone	982	1.9%	47,568	3.2%	811,945	2.7%
Nonrelatives	1,523	3.0%	67,257	4.5%	1,135,551	3.8%
In group quarters:						
Institutionalized persons	3,053	6.0%	13,646	0.9%	376,374	1.3%
Other persons in group quarters	175	0.3%	20,712	1.4%	375,486	1.3%
Total	50,686	100.0%	1,497,577	100.0%	29,760,021	100.0%

Source: 1990 U.S. Census STF1; Bay Area Economics.

Table 12: Poverty Status by Family Type and Age of Children

	Milpitas			Santa Clara County			California		
	Above Poverty Level	Below Poverty Level	% Below Poverty Level	Above Poverty Level	Below Poverty Level	% Below Poverty Level	Above Poverty Level	Below Poverty Level	% Below Poverty Level
Related Children Under 18									
Total in Related Families									
0-4	3,776	163	4.1%	96,821	11,174	10.3%	1,876,405	441,310	19.0%
5	824	39	4.5%	19,698	2,373	10.8%	367,292	87,573	19.3%
6-17	<u>7,660</u>	<u>560</u>	6.8%	<u>195,836</u>	<u>21,632</u>	9.9%	<u>3,929,929</u>	<u>806,629</u>	17.0%
Total	12,260	762	5.9%	312,355	35,179	10.1%	6,173,626	1,335,512	17.8%
In Married-Couple Family									
0-4	3,306	109	3.2%	84,645	4,957	5.5%	1,603,094	201,705	11.2%
5	711	16	2.2%	16,837	1,010	5.7%	309,502	40,085	11.5%
6-17	6,393	281	4.2%	158,715	10,340	6.1%	3,155,062	385,349	10.9%
In Other Family									
Male Householder, No Spouse									
0-4	216	9	4.0%	4,079	713	14.9%	96,615	35,947	27.1%
5	41	0	0.0%	887	121	12.0%	16,543	6,017	26.7%
6-17	345	4	1.1%	9,854	1,474	13.0%	195,198	54,331	21.8%
Female Householder, No Spouse									
0-4	254	45	15.1%	8,097	5,504	40.5%	176,696	203,658	53.5%
5	72	23	24.2%	1,974	1,242	38.6%	41,247	41,471	50.1%
6-17	922	275	23.0%	27,267	9,818	26.5%	579,669	366,949	38.8%

Source: 1990 U.S. Census STF3; Bay Area Economics.

Table 13: Primary Child Care Arrangements Used by U.S. Employed Mothers of Children Under 5

	<u>Number</u>	<u>Percent</u>
Care in Child's Home	2,726,000	29.9%
By father	1,395,000	15.3%
By grandparent	463,000	5.1%
By other relative	298,000	3.3%
By nonrelative	570,000	6.2%
Care in another home	3,249,000	35.6%
By grandparent	792,000	8.7%
By other relative	414,000	4.5%
By nonrelative	2,043,000	22.4%
Organized child care facilities	2,220,000	24.3%
Day/group care facilities	1,465,000	16.1%
Nursery school/preschool	755,000	8.3%
Kindergarten/grade school	90,000	1.0%
Child cares for self	24,000	0.3%
Mother cares for child at work	814,000	8.9%
Total	9,124,000	100.0%

Source: Table 1, "Who's Minding the Kids?" U.S. Bureau of the Census Current Population Reports, Series P-70, No. 20. Based on 1986-87 data from the Survey of Income and Program Participation.

EMPLOYER AND EMPLOYEE NEEDS

Employer Survey

To gain a better understanding of child care issues affecting employers, 30 businesses in Milpitas were interviewed by telephone during April, 1992 by Bay Area Economics. These firms included the ten largest employers in the City of Milpitas, as identified by the Chamber of Commerce. In addition, twenty smaller firms (between five and 75 employees) selected randomly from Dun & Bradstreet listings were surveyed. Appendix A shows the survey instrument used and a list of respondents to the survey. A tabulation of responses from the businesses is provided in Table 14.

Use of Child Care. Firms surveyed were asked to estimate the number of employees currently using child care. For large employers, this information was difficult to obtain. Only one large firm was able to estimate the proportion of employees using child care; this firm indicated that 50 percent of their employees use child care. In addition, one large employer was about to embark on its own in-house survey of employees to ascertain child care use and needs.

Eleven of the smaller firms indicated that over 20 percent of their employees use child care, seven estimated that less than 20 percent of their employees use child care, and two firms were not aware of the use of care by their employees.

Employer Child Care Assistance. Employers can play a role in assisting their employees with child care needs. Benefits that employers could provide include monetary assistance, Dependent Care Assistance Programs (DCAP), flex-time or job sharing, paid leave when looking for child care, information and referral services for child care, paid parental leave, and a variety of miscellaneous benefits. Typically, larger firms are more likely to offer child care benefits than smaller firms. Benefits offered by firms surveyed in Milpitas are presented below.

Dependent Care Assistance Program. An important benefit that can be offered by employers is the Dependent Care Assistance Program (DCAP). The DCAP program allows pre-tax salary dollars to be set aside for child care costs, lowering the effective salary subject to federal income tax and FICA charges. This can result in a savings for both employers and employees. This program can be offered as a flexible spending account through the Economic Recovery Tax Act of 1981 or as part of a cafeteria plan authorized under Section 125 of the Internal Revenue Code in 1978.

In Milpitas, seven of the ten larger firms offer the DCAP program, while the balance had not considered it. Only two of the twenty small firms offered the DCAP program. All employees using child care in these two small firms took advantage of the DCAP benefit. Five of the smaller firms had considered DCAP but chosen not to implement it. Reasons given for not implementing DCAP were the perception that the program would be an administrative burden and the belief that their employees were using ineligible caregivers (e.g., family and friends) for which the DCAP cannot be used.

Financial Contributions. Monetary assistance to help cover employees' child care costs was offered by one large firm in Milpitas. In this case the firm contributed \$10 per month to the employees' DCAP account. Only three large and two small firms had even considered offering monetary assistance. Among the firms that had explored this alternative, one decided against it due to perceived liability issues, three were studying it further, and one planned to offer a contribution to their employees' DCAP accounts next year.

Information and Referral. Child care information and referral services can range from maintaining a list of child care providers to providing paid staff assistance in locating and evaluating providers.

Only one large firm offered referral assistance, while none of the small firms did. In the one case, the firm contracts with a national referral agency who refers employees to local child care facilities. Of the three firms who had considered offering a referral service, reasons mentioned for not providing this benefit included concerns regarding legal liabilities, cost, and a feeling that most employees prefer to leave children with relatives.

Paid and Unpaid Leave. There are two general categories of leave related to child care that firms can offer: paid or unpaid parental leave at the time of birth or adoption, and leave specifically to allow time to search for and select a child care provider.

In the Milpitas survey, no employers offer paid leave upon birth or adoption, other than the State-required paid disability leave available by law to all full time employees (this leave generally allows for up to 10 weeks of pay based on a percent of salary up to a maximum level). One large employer does offer up to two years of unpaid leave for birth of a child.

No firms offer paid leave specifically to enable an employee to look for child care. However, several firms offer personal days in addition to vacation and sick days, which could be used for this purpose.

Flex-Time and Job Sharing. Flex-time is the most widely offered benefit related to child care at both small and large firms. Seven of the ten large firms and nine of the 20 small firms offered the flexibility to arrange working hours to accommodate the employee's circumstances either through established policy or on an ad-hoc basis. In many firms, flex-time is a separate arrangement between the employee and his/her immediate supervisor, depending on department needs.

Job sharing was offered less frequently, at only two large and two small firms in Milpitas. The reason most frequently given for not offering flex-time or job sharing was the need to maintain fixed employee schedules in order to support 24 hour production. Even some firms which offer flex-time or job sharing, were not able to offer this benefit to employees in departments maintaining around-the-clock production schedules.

Additional Benefits. Some of the smaller firms and many of the larger firms offered other kinds of child care benefits. For example, one small firm allowed their employees to work via computer from home if their children were ill. Another small firm classified themselves as a family-oriented business and gave their employees paid leave to spend time with their children for school vacations.

Among the other kinds of benefits offered by larger firms, one company had arranged a 10 percent discount for employees at a specific child care center in Milpitas. Another firm allowed their employees additional sick days to care for sick children. Finally, one of the large firms offered subsidized child care for sick children at a sick care center, so their employees did not lose a day at work when their children were too sick for regular child care but not seriously ill.

Employer Suggestions. Most of the businesses surveyed stated that employers could do more to help meet their employees' child care needs. Among the most critical problems mentioned were issues relating to the care of a sick child. Many respondents suggested employers should offer additional paid sick days to care for sick children. Others suggested forming a consortium of businesses in Milpitas to offer a subsidized sick child care center as the nearest existing center is located near Lockheed in Sunnyvale.

Another frequently mentioned problem was the cost of child care for working parents. Respondents suggested businesses could help reduce employee's child care costs through direct or indirect subsidies. An example of indirect subsidies is business participation in building and subsidizing a child care center in or near the work place. Telecommuting, which allows parents to work from home and significantly reduce child care costs, was another idea mentioned. Recent technology is making telecommuting a feasible alternatives for some employees. Respondents

also recommended increasing the awareness of businesses regarding child care issues, the necessity for flex-time, and the child care benefit options an employer can offer.

Summary. In summary, there are a variety of ways employers are assisting with the provision of child care in Milpitas. In general, flex-time benefits seemed to be the most prevalent assistance offered, either on a formal or informal basis. Financial benefits such as DCAP seemed to be a confusing undertaking for many firms, signaling the need for increased education of businesses. Many firms expressed an interest in responding to employee child care needs but seemed to need additional information and guidance. Some businesses in Milpitas currently provide innovative and successful child care benefits for their employees that other businesses might be interested in modeling.

Overall, few firms offer child care benefits to their employees through specific policies. Many firms were unfamiliar with the types of benefits that they could offer. A few firms, both large and small, were studying or considering child care options for their employees at the time of the survey. For example, one large firm was in the process of surveying employees to find out about their child care needs. Most firms expressed interest in receiving more information about child care in Milpitas and benefit options available to them.

Table 14: Employer Survey Responses

QUESTION	SMALL FIRMS (a)	REASON NOT OFFERED AFTER CONSIDEREING	LARGE FIRMS (a)	REASON NOT OFFERED AFTER CONSIDERING
Offer monetary assistance?				
Yes	0		0	
No	20		10	
Consider monetary assistance?				
Yes	2	Trying to figure out what would work.	3	Liability issues.
No	18	Haven't had time to evaluate options.	7	Considering contribution to employee DCAP account Conducting employee survey, will research options
Offer DCAP program?				
Yes	2		7	
No	18		3	
Consider DCAP program?				
Yes	2	Caregivers often relatives or friends.	0	
No	16	Considered an administrative burden.	3	
Offer referral assistance?				
Yes	0		1	
No	20		9	
Consider referral assistance?				
Yes	1	Employees prefer to leave children with relatives.	2	Legal liabilities.
No	19		7	Used to, now too expensive.
Offer paid leave to look for childcare?				
Yes	2		4	
No	18		6	
Consider paid leave to look for childcare?				
Yes	0		0	
No	18		6	
Offer flex time or job sharing?				
Yes	9		7	
No	11		3	
Consider flex time or job sharing?				
Yes	1	Production requires stable employee ho	0	
No	10		3	
Offer other types of assistance?				
Yes	2		5	
No	18		5	
Consider other types of assistance?				
Yes	1	Nothing works for this firm at this time.	4	Want to subsidize sick care next year.
No	17		2	Too expensive and liabilities.

Source: Bay Area Economics, 1992.

Limited Small Firm Employee Survey

To gain more insight into the child care needs of employees working in small firms in the Milpitas area (firms with between five and 75 employees), BAE surveyed the employees at five of the firms previously contacted for the employer survey. The survey instrument is included as Appendix B.

It should be noted that the employee survey conducted for this study was based on a very small sample of 26 employees at five companies. Therefore, while it is likely illustrative of conditions regarding child care at small Milpitas firms, a much more extensive survey of Milpitas employees would have to be conducted to fully assess the child care needs of workers in Milpitas.

Respondent Profile. Survey respondents were employees representing households with at least one child aged zero to 12 either in child care or for whom the household was seeking child care. Of the 26 households responding, 54 percent were households with one child, 42 percent were households with two children, and four percent (one household) had three or more children. Of the 38 children reported, all but seven currently use child care on a regular basis. Out of these seven, child care was only sought for six; one child was an older child for whom child care was not sought, in a household where two younger children were in child care.

Of the children in child care, 29 percent were aged two or under, 39 percent were aged three to five, and 32 percent were aged six through 12. Two of the six children not using child care but whose parents desired to do so were under two years of age, one was five, and the remaining two were nine and 11.

Fifty-eight percent of the responding households were two-parent households with both parents working, 13 percent were two-parent households with one parent working, 25 percent were single-parent households with the parent working, and four percent (one household) was a household with two parents working and in-laws living in the household.

Respondent incomes were relatively low compared to the estimated 1989 distribution for resident households in Milpitas (shown in Table 3). Nine percent reported incomes below \$15,000, 13 percent had incomes of \$15,000 to \$24,999, 26 percent had incomes of \$25,000 to \$34,999, 26 percent had incomes of \$35,000 to \$49,999, 17 percent had incomes of \$50,000 to \$74,999, and nine percent had incomes of \$75,000 or more. All of the households with incomes of \$50,000 and above were two-parent households with both parents working, indicating the difficulty of reaching this income level without both parents in the labor force.

Almost half (46 percent) of the respondents lived in San Jose. Twenty-seven percent lived in Milpitas, 12 percent lived in Fremont, and there was one response each from Cupertino, Gilroy, Livermore, and Morgan Hill. All of the Milpitas respondents had household incomes between \$25,000 and \$49,999, below Milpitas's 1989 median household income of \$55,730.

Type of Primary Care. Very few of the respondents, only 10 percent, used child care centers for the primary care of their children. Thirty-nine percent used baby-sitters, 42 percent used family care homes, and 10 percent used before and after-school programs. This is unlike national trends in child care, where a much higher percentage of children are in center-based care.

There were slight differences in care patterns by age of child. Baby-sitters were a primary child care form across all ages. Family day care was not used for any children under 2, but was the primary form used for children two years of age, with five out of seven children in this type of care. Center care was only used for one two-year-old, and two four-year-olds. Before- or after-school programs were used by three children, none of them under the age of five.

Location of Primary Care. For thirty-four percent of the children in child care, the care was provided within one mile of the home. Twenty-eight percent were cared for between one and two miles from home, and 38 percent were cared for more than two miles from home.

In contrast, the majority of children in child care (55 percent) were in care more than two miles from the respondent's place of work. Only seven percent were in care less than one mile from the respondent's place of work, and 38 percent were in care one to two miles from the place of work.

Given that almost half the respondents lived in Milpitas and that the pattern was for care to be nearer the home, it is not surprising that half the children in child care were cared for in San Jose. Thirty-two percent were cared for in Milpitas, with the remainder cared for in Fremont, Livermore, and Morgan Hill.

This spatial pattern of child care usage, though, may in part be a function of the lack of available care near the workplace. For 18 of the 38 children (47 percent), the respondents stated that they would use child care within one-half mile of the place of work if it were available. This may indicate some pent-up demand for child care in Milpitas from workers commuting into the City.

Cost of Care. The total amount respondent households paid for all child care per week ranged from \$0 to \$300. Fifty-three percent paid less than \$100 per week, 35 percent paid from \$100 to \$299, and 12 percent paid more than \$200 per week. It is difficult to draw conclusions from these figures as the number of hours of care per child per week are not known.

Satisfaction With Care. For all except one child, respondents reported satisfaction with their child's primary care. Fifty-nine percent were very satisfied and 38 percent were somewhat satisfied.

Households Not Currently Using Care. There were seven children in the respondent households not currently in child care, but one of these was an older child in a family of three children for whom child care was not sought, leaving a total of six children for whom respondents would like to use child care but are not currently doing so. For all of these six children, cost of care was listed as a reason for not using care. For two of these six children, quality was also given as a reason; for one out of six, lack of needed hours of operation was a reason; for three out of six, inconvenient location of child care was a problem; and other problems (not specified) were a problem for one of the six.

Employer Provisions Used by Employees. Out of the 26 employees surveyed at five companies, only 11 at two companies were offered any sort of assistance for child care. Both companies offered DCAP programs, and five of the 11 employees used it. Flex-time was offered at one of the two companies, representing seven respondents; only one of the respondents used it. The other company offered some paid leave to assist in looking for child care, but none of the respondents used this assistance. Interestingly, five of the 11 respondents reported that their company offered no assistance, despite the company response that they did. Either the employees were not well informed about their company's assistance, or the services described were not actually available to all employees.

Suggestions for Employers. The suggestions from the respondents for employers addressed a variety of employee needs. Five respondents expressed a desire for on-site or nearby child care; one of these respondents suggested that large employers could offer on-site care with slots for employees at nearby small companies. Two respondents said they would like flex-time, and one additional respondent said employers should be more understanding in the case of child-care emergencies. One person wanted less expensive care, and another suggested monetary assistance with child care. One respondent felt that companies should have open houses for the children of employees so the children could see their parents' workplaces. Finally, one respondent stated that while companies should not be required to provide child care, they should do so anyway in order to improve employee morale and thus boost productivity.

Summary. This very limited employee survey highlights several key attributes of the child care usage patterns for employees in the area. First, the survey highlights the fact that a very high proportion of Milpitas workers come from outside the City, a fact confirmed by 1990 Census data

(see Appendix D). The respondents generally had household incomes lower than the Milpitas median; this was even true of the Milpitas residents who responded. Over half the households were two-parent households with both parents working, while one quarter were single-parent households. None of the households with only one working parent had incomes of \$50,000 or more.

Less than 10 percent of this sample used center-based care, a much smaller proportion than reported nationally. Care tended to be closer to the home than to the workplace; because of the residence of these respondents, this meant that less than one-third of these workers used child care in Milpitas. To some extent, though, this may be a function of the lack of appropriate care facilities near the workplace. For 47 percent of the children in responding households, the respondents stated a desire to use care near the workplace if it were available, suggesting that there is unmet demand for child care facilities in Milpitas being generated by Milpitas workers.

Generally, users were satisfied with the care their children were receiving. Among non-users, cost seemed to be the most important factor preventing use of child care. Only two of the five companies surveyed, covering 11 of the 26 employees, provided any kind of child care assistance. Provided assistance included DCAP, flex-time, and paid leave for employees seeking child care. Interestingly, at both companies there were respondents who did not know their employer provided some kind of assistance. Respondents had a variety of suggestions for how Milpitas employers could improve child care in Milpitas, with care on-site or near the workplace being the most common suggestion.

PROVIDER NEEDS

Telephone interviews were conducted with providers of care in order to augment information on the delivery of services from other data sources. In addition, these interviews provided an opportunity for direct input from providers regarding their needs as well as the needs of the children and families they serve.

Methodology

A small sample of 10 child care providers was selected to serve as "key informants" about services available in Milpitas and the needs of the parents and children served. A survey was designed, and telephone interviews lasting about one-half hour were conducted. The survey questions included informational items as well as items designed to elicit ideas from the respondents. This type of format made it possible to both document data and gather anecdotal information. A copy of the survey is included in this report as Appendix C.

Profile of Providers

In order to obtain a range of types of care, five centers and five family child care homes were selected. The centers included those providing service to infants and preschoolers as well as those providing care to school aged children before- and after-school. The sample included for-profit and non-profit centers. Programs operated by the City and the School District were not included in the sample, since those programs were interviewed individually and are described in the Description of the Child Care System section of this report.

The child care center sample contained one small center with 41 children and four large centers with over 100 children each. In total, the centers in the sample served 514 children. One of the centers had a mix of subsidized and full-fee spaces. The sample of family homes included two with a small home license (six or fewer children) and three with a large home license (7 to 12 children). The homes in the sample were licensed for a total of 48 spaces.

Ownership Structure and Program Longevity. All of the homes were privately owned and operated. Three of the centers were for-profit operations, one was church sponsored, and one was operated by a non-profit agency.

All of the centers interviewed had been in business over four years. Of the family child care homes, four had been in business between a year and a half and four years and one had been in business over five years.

Ages of Children Served. The homes have more flexible licenses related to ages of children they can serve than do centers. Homes are licensed for children from birth to 12 years old, and the provider decides what ages will be accepted. In the survey sample, one home served only infants, one only preschoolers, and three served children from birth up to 12 years old.

Centers are licensed for specific age groups and may choose to be licensed for more than one age group. In the Milpitas sample, two of the centers served preschoolers only and three centers served all age groups. Overall in the center sample, children under 18 months utilized five percent of total spaces, toddlers used 12 percent, preschoolers used 76 percent, and the remaining seven percent of spaces served school age children.

Children With Disabilities. Three of the homes said they accept children with disabilities. All of the centers were willing to accept these children and two of the centers currently have disabled children enrolled.

Vacancy Rates. Family child care homes surveyed appeared to be strongly demanded by residents and employees of Milpitas. Of the five homes surveyed, only one had an opening at the time of the survey, which was attributed to the slow economy. The two small homes did not keep waiting lists; two of the three large homes did maintain waiting lists.

Of the centers interviewed, one had no openings, two had four openings each, one had 15 openings which they said was due to the fact they had recently transferred a number of previously subsidized slots to full paying families, and the last center had 45 openings. That center said they had recently experienced turnover with several directors, but now believed their problems were solved and they would fill up. Almost all the 68 center vacancies were for preschoolers. Infant, toddler and after-school spaces constituted only 24 percent of the spaces, and they were generally full.

All of the centers keep waiting lists when they are full. The center with some subsidized slots kept a separate list for eligible children.

All of the homes and centers said they were listed at 4-C Council of Santa Clara County. None of the programs get as many referrals as they need from this source. One center is also listed with a

private referral organization. In addition, all depend on some form of advertising and/or parent referrals.

Professional Affiliations. Four of the five homes were associated with at least one professional organization. Three of the five centers belong to professional organizations. Organizational memberships mentioned included PACE, the National Association for the Education of Young Children, The Child Care Coalition, and the Fremont Directors' Coalition. There are no local branches of any of these professional organizations in Milpitas.

Use of the Resource and Referral Agency. Two of the five homes and all the centers used referral services offered by the 4-C Council. One center also used the R & R's resource services such as the listing of community agencies. Other services offered by the 4-C Council such as licensing information, technical assistance, and training, were not used by either the centers or homes. One home did use 4-C's Child Care Food Program.

Services from the City of Milpitas. Child care programs often need services from the City such as permits, fire clearances, variances, etc. When asked what services had been used, three said they had obtained fire clearances and two had used fingerprinting services and the fire and police departments had provided demonstrations for the children. All who used these services said they were satisfied.

Factors Affecting Parent Choice

Providers were asked what things were most important to parents when they chose a care facility. The homes said that while safety and cleanliness were considered a given, the primary factors for parents in choosing a home were the security and stimulation of a home environment. Home providers added their own thoughts on what is important to parents such as "a homey place," "reassurance," "communication," "flexible hours," and "transportation to and from school."

The centers, in contrast, stressed safety and cleanliness as the primary factors. Other factors said by centers to be important or somewhat important were an educational program (opinions on what was meant by this varied from provision of a stimulating environment to academics); qualifications of staff (in particular the ability to work with children); location; and cost. Centers also mentioned "hours" and "warm atmosphere" as important to parents selecting a facility.

Provider Issues

The sample of providers were asked a series of questions designed to elicit discussion of their needs, problems, and barriers to entry or expansion of child care services. Overall, the providers in Milpitas expressed a lower level of general concern regarding these subjects than respondents of similar surveys elsewhere in the Bay Area. The following summarizes the providers' comments.

Plans for Change and Barriers to Change. Three centers are planning changes in the next two to three years. One center plans to take part-time children, one is incorporating a well-accepted curriculum based on longitudinal research called a Hi-Scope curriculum, and one is planning to expand their elementary after-school program.

Regarding barriers to change in their service provision, two of the centers said any changes must come through their corporate office, which makes change difficult. One center had tried to get a small business loan and had experienced great difficulty in obtaining it. Reasons for this difficulty were not explained.

Staff Recruitment, Training, and Management. The recruitment of qualified staff to work in the facilities surveyed was considered a moderate problem which varied somewhat with fluctuations in the economy. The local colleges mentioned previously (see page 20) are a common source of staff recruits.

With respect to on-going training for staff, all programs said there is adequate training available, particularly through the colleges; however, the family child care homes in particular said they usually do not have time to take advantage of training.

Eight of the ten respondents felt that staff salaries and benefits are not an issue, while two stated that salaries and benefits did impact their ability to recruit and retain staff. Unlike some parts of the Bay Area, both centers and child care homes in the Milpitas sample have access to health benefits through their membership associations or through their employers.

A major problem identified by all of the respondents was the difficulty in locating and coordinating substitute teachers/staff. When substitutes are not readily available, programs may be operating without the staff/child ratios required by their license, making the provision of quality care difficult to maintain.

Care for Mildly Ill Children. All the homes said they accommodate mildly ill children. No centers have provisions for ill children and one center said there was a real need for this type of care.

Subsidized Care. Two of the homes and two of the centers viewed lack of subsidies as an important issue for parents. The center that operates a State-funded subsidy program always has a waiting list for subsidies.

Accreditation. Accreditation, which is administered by several national professional organizations, enables child care providers to achieve high standards of quality care and promote these achievements in the marketplace. Accreditation is distinct from State licensing.

Three family homes have considered becoming accredited but have not done so as yet. Four of the five centers are in the process of becoming accredited.

Provider Recommendations

The most frequent recommendation, suggested by eight of the ten respondents, was the creation of a locally-based resource and referral program that could serve as a clearinghouse for support services. A number of the other ideas that were suggested could fall under the umbrella of a clearinghouse; for example, a way for parents to find out about alternate care options, the need for a local network to deal with the issues related to provider isolation, the need for program materials and a toy library, joint workshops, and need for assistance with parent contracts.

Other provider suggestions included recruitment of additional family child care homes so that there would be more alternatives to center-based care; more programs with sliding fee scales to help with affordability; more teenage parent child care in the high schools; a center for mildly ill children; city regulations which would not allow centers to locate too close to each other; and mechanisms to encourage businesses to provide adequate, affordable child care.

Summary of Provider Needs

In summary, the interviews with child care centers and family child care home providers indicated that a preponderance of the care available is for the preschool age group. The majority of programs operated at capacity and had no plans to expand. With the exception of one program in the non-profit sector, there are few subsidies available for families.

The providers interviewed indicated that finding substitutes was a major problem. They also face a range of other difficulties, including care for mildly ill children (noted by one provider, and by several employers in the employer survey) and assistance for parents who needed help paying the fees. The strategy most often suggested to meet provider needs was some type of a clearinghouse where parents and providers could gain access to a range of support services.

DEMAND FOR CHILD CARE

To adequately plan for child care in Milpitas, it is necessary to estimate child care needs both currently and for the future. The more detail which can be provided in these estimates (i.e., breakdowns of need and supply by age group and type of care), the more accurately the picture of possible unmet demand or oversupply can be drawn. The level of precision in demand estimates, however, is limited by the quality of data available. Precise information on the types of child care services sought locally cannot be obtained except through extensive and expensive surveys of residents and employees in Milpitas, which were not completed for this Needs Assessment.

Given the lack of precise local data on child care needs, it is necessary to utilize existing published data sources on local demographics and national trends in child care usage in order to estimate demand in Milpitas. Fortunately, detailed local demographic data from the 1990 U.S. Census are now available, including detailed age distribution, households structure, and proportion of women in the labor force. The labor force information also broadly specifies the ages of children, thus providing labor force participation rates of women with young children. These data, combined with national survey data on child care usage patterns among working mothers, provide the basis of an estimate of demand for child care in Milpitas.

Among the factors leading to uncertainty in this estimate are the generalized age ranges used in reporting working mothers' labor force participation (the ranges reported are under six and six to 17); lack of local data on the proportions of families using or seeking licensed care versus those who have other arrangements such as baby-sitters or relatives; and the proportion of working mothers working part-time schedules, enabling them to reduce their child care needs, particularly after-school care needs for school-aged children. Because of the nature of this estimate, the demand numbers generated below should be considered to be approximations of the need rather than exact estimates.

Current Need

Table 15 provides estimates of current unmet need for licensed child care spaces in Milpitas. To make this estimate and the future demand estimate, the number of children in Milpitas was estimated based on a synthesis of data from the 1990 U.S. Census, Milpitas Unified School District enrollment projections, current population figures from the State Department of Finance, and data on buildout population from the Milpitas Planning Department. The percentage of mothers in the labor force was estimated using 1990 Census data. The most difficult item to estimate, the percent of children needing organized care, is based on a combination of Census

sources and data obtained by Bay Area Economics from child care surveys and needs estimates from other cities.

There are several components to child care demand in Milpitas. The primary source is Milpitas families with working mothers. This includes families with two parents and single-mother families. There is also resident-generated demand from families where mothers are not in the labor force, but wish to have their children in child care for their child's social and cognitive development. Unfortunately, this source of demand is very difficult to quantify. In any case, the vast majority of Milpitas mothers of children (especially school-age children) are in the labor force. There are additional components of local-resident demand, such as single-father families or other non-traditional families, but overall, these are a small proportion of families with children.

The other potentially large component of demand for child care in Milpitas is employee-generated demand, the demand generated by workers commuting into Milpitas and seeking child care near their place of work. Because Milpitas functions as an employment center, with far more jobs than working residents, this source of demand was incorporated into the demand estimate. But as Appendix D shows, the net demand generated by this source is likely very small, because while a large number of non-resident workers may be seeking child care in Milpitas, there is also a sizable number of Milpitas residents working elsewhere who may be seeking child care nearer their place of employment.

As indicated in Table 15, demand for child care spaces exceeds supply for all age groups at this time. Demand for spaces for children under six currently exceeds supply by 212 spaces, and demand for spaces for school-age children exceeded supply by 418 spaces.

Table 15: Estimate of Unmet Need for Child Care in Milpitas, 1992

DEMAND:	Age Group			
	0-5	6-9	10-12	Total
Demand Generated by Resident Children of Working Mothers				
Number of Children (a)	5,411	3,321	2,312	11,044
% of Mothers in Labor Force (b)	69.7%	80.3%	80.3%	
Number of Children with Mothers in Labor Force (c)	3,769	2,668	1,857	8,294
Percent of Children Needing Organized Care (d)	50.0%	30.0%	20.0%	
Number of Children of Working Mothers Needing Organized Care	1,885	800	371	3,056
Net Employment-Generated Demand (e)	32	NA	NA	32
Total Demand	1,917	800	371	3,088
SUPPLY:				
	0-5	6-12	Total	
Number of Spaces in Family Homes (f)	555	201	756	
Number of Spaces in Centers (f)	1,150	552	1,702	
Total Organized Child Care Spaces	1,705	753	2,458	
SHORTFALL IN CHILDCARE SPACES	212	418	630	

Notes:

- (a) Population estimates from Bay Area Economics, based on data from 1990 Census, Milpitas Unified School District Enrollment Projections, State Department of Finance, and Milpitas Planning Department.
- (b) Based on data from 1990 U.S. Census STF3. Percent of mothers of children from 0 to 5 based on percentage with at least one child under 6; percent of mothers of children from 6 to 9 and 10 to 12 based on proportion of mothers with children only from 6 to 17.
- (c) Number of children times percentage of mothers in the workforce.
- (d) Demand for care for children 0 to 5 based on number of children using non-relative care outside the home from "Who's Minding the Kids? Child Care Arrangements: Winter, 1986-1987," U.S. Bureau of the Census Current Population Reports Series P-70, No. 20. Demand for care for children 6 to 12 determined by using number with a secondary care arrangement which is non-relative and outside the home (school as primary arrangement), and adding in those whose primary arrangement is other than school, and dividing this total by total number of children. Included also in the proportion are those children with self care as primary or secondary child care method. This proportion was 22.8 percent, and has been rounded to 25 percent. Evidence from a previous survey by BAE indicates that this demand is actually stronger for younger children, so the proportion of children 6 to 9 has been adjusted upward to 30 percent, and the proportion for children 10 to 12 has been adjusted downward to 20 percent.
- (e) From Appendix D.
- (f) March-April 1992 supply data from Community Coordinated Child Development Council of Santa Clara County, Inc.

Sources: Bay Area Economics; and as noted.

Table 16. Estimate of Unmet Need for Child Care in 1997

Age Group	Current Supply	Estimated Demand	Unmet Demand
Under 6	1,100	1,372	272
6-12	1,100	1,834	734
Total	2,200	3,206	1,006

Future Need

The demand estimate indicates that unless additional spaces are added, by 1997 unmet demand will exceed supply by 22 percent (372 spaces) for children under six and 71 percent (534 spaces) for children six through 12 (see Table 16). This estimate may be conservative in that the proportion of mothers in labor force has been rising, and this estimate assumes no additional increase in this proportion. However, it also assumes no increase in the current supply of spaces. It is likely that if actual demand is not being met, more spaces may be added, especially if there is some level of community support for additional child care.

Table 16: Estimate of Unmet Need for Child Care in Milpitas, 1997

DEMAND:	Age Group			Total
	0-5	6-9	10-12	
Demand Generated by Resident Children of Working Mothers				
Number of Children (a)	5,727	3,632	2,566	11,925
% of Mothers in Labor Force (b)	69.7%	80.3%	80.3%	
Number of Children with Mothers in Labor Force (c)	3,989	2,918	2,061	8,968
Percent of Children Needing Organized Care (d)	50.0%	30.0%	20.0%	
Number of Children of Working Mothers Needing Organized Care	1,995	875	412	3,282
Net Employment-Generated Demand (e)	82	NA	NA	82
Total Demand	2,077	875	412	3,364
SUPPLY:				
	0-5	6-12	Total	
Number of Spaces in Family Homes (f)	555	201	756	
Number of Spaces in Centers (f)	1,150	552	1,702	
Total Organized Child Care Spaces	1,705	753	2,458	
SHORTFALL IN CHILDCARE SPACES	372	534	906	

Notes:

- (a) Population estimates from Bay Area Economics, based on data from 1990 Census, Milpitas Unified School District Enrollment Projections, State Department of Finance, and Milpitas Planning Department.
- (b) Based on data from 1990 U.S. Census STF3. Percent of mothers of children from 0 to 5 based on percentage with at least one child under 6; percent of mothers of children from 6 to 9 and 10 to 12 based on proportion of mothers with children only from 6 to 17.
- (c) Number of children times percentage of mothers in the workforce.
- (d) Demand for care for children 0 to 5 based on number of children using non-relative care outside the home from "Who's Minding the Kids? Child Care Arrangements: Winter, 1986-1987," U.S. Bureau of the Census Current Population Reports Series P-70, No. 20. Demand for care for children 6 to 12 determined by using number with a secondary care arrangement which is non-relative and outside the home (school as primary arrangement), and adding in those whose primary arrangement is other than school, and dividing this total by total number of children. Included also in the proportion are those children with self care as primary or secondary child care method. This proportion was 22.8 percent, and has been rounded to 25 percent. Evidence from a previous survey by BAE indicates that this demand is actually stronger for younger children, so the proportion of children 6 to 9 has been adjusted upward to 30 percent, and the proportion for children 10 to 12 has been adjusted downward to 20 percent.
- (e) From Appendix D.
- (f) Current supply of spaces kept constant for 1997 projection. March-April 1992 supply data from Community Coordinated Child Development Council of Santa Clara County, Inc.

Sources: Bay Area Economics; and as noted.

POTENTIAL BARRIERS TO THE PROVISION OF CHILD CARE

Local Government Regulations and Fees

Zoning/Permitting. Zoning and related land use regulations can severely impact the provision of child care, particularly in a family home setting. In California, legislation has clarified certain aspects of zoning law related to family homes. Small family child care homes (one to six children) are permitted "by right" in all residential zones; this means that no notifications, hearings, or use permits can be required for small family homes. Milpitas's zoning ordinance, according to its Planning Department, conforms with State law.

Large family child care homes (seven to 12 children) can be treated in one of three ways by cities in California; they can be permitted "by right" in residential zones; they can be given a non-discretionary use permit, which is granted by the planning director without public hearing if certain conditions are met; or they can be required to obtain a conditional use permit, which requires neighbor notification and a public hearing. The choice of requiring a conditional use permit can result in delay, expense, confusion, and potential denial of the project. Child care advocates tend to discourage the conditional use permit approach, due to these constraints on the expansion of child care supply. Instead, the goal of many child care advocates, and the recommendation of some child care plans, is to utilize the non-discretionary use permit approach for large family child care homes in residential zones.

In Milpitas, the zoning ordinances currently in force are unclear with respect to how large family child care homes are permitted. According to the Planning Department, for all residential zones, large family child care homes are not specifically discussed in the zoning ordinance. Instead, these facilities have been considered as "schools," which required to obtain a conditional use permit in all residential zones. However, it should be noted that the definition of "school" contained in the City's zoning ordinance does not technically pertain to a family child care home, rendering the situation potentially unclear to a child care provider wishing to start a large family home. To mitigate this situation in Milpitas, a revision of all residential zoning ordinances would be needed in order to specify the use of large family child care homes, and provide language for a non-discretionary use permit process.

Interestingly, Milpitas's zoning ordinance allows large family day care homes "by right" in the C-2 (community commercial) zone. However, in other commercial zones such as C-1 (neighborhood commercial) and CO (Administrative/Professional Offices), the language of the

ordinance suggests a non-discretionary use permit process. In the TC (Town Center) zone, all land uses require a conditional use permit, including all types of child care facilities.

The allowance of family child care homes in any commercial zones is not typical in other cities, especially on a "by right" basis such as that permitted in the C-2 zone in Milpitas. Thus, the City's commercial zone regulatory structure is supportive of child care facilities in a way that most other cities are not.

Business License Fees. Business licenses, including payment of business license fees, are also often required of family home operators. The payment requirement has been waived in several cities throughout California as a strategy to encourage expansion of the child care system.

In Milpitas, the current business license fee structure is relatively moderate: home businesses, which would encompass small and large family child care facilities, are charged a flat \$25 annual fee. For child care centers, the business license fee is a flat \$35 per year plus an additional annual charge per employee; from one to 10 employees, there is a per-employee charge of \$5, and from 11 to 100 employees, the charge is \$1 per employee. Thus, a typical child care center with 12 employees would pay approximately \$95 per year. While the business licence fee is not particularly onerous for child care providers in Milpitas, waiving the fee might eliminate a barrier to the provision of care.

The Economics of Child Care

In many communities, one of the major barriers to the expansion of child care supply, and even, in some cases, the retention of existing supply, is the cost from the provider's standpoint of operating a facility. The economic realities of providing child care generally result in businesses with zero or only marginal profitability. Like almost all organizations providing services (rather than manufacturing goods), the economic outlook of a child care facility is most strongly affected by two factors: fees charged for the service, and labor costs to provide the service. The child care provider must balance these two primary factors against the backdrop of "market" willingness to pay a certain level of fees and the availability, cost, and quality of labor.

Since child care is a service, the primary cost of providing care is the cost of the labor (i.e., teachers and directors) within child care facilities. For child care, labor costs typically range from 70 to 90 percent of a center's operating budget. However, although the cost of labor is so significant, it is important to understand that child care workers generally receive wages at the very low end of the overall wage scale. According to *the National Child Care Staffing Study*, conducted by the Child Care Employee Project, on a national basis, the average wage for a child

care worker is only 50 percent of the average wage for all female workers, and only 25 percent of the average wage of all male workers.

Data regarding salary levels for child care facilities in Milpitas are not available. However, a survey of Southern Alameda County child care providers completed by the Child Care Employee Project in 1989 indicated that average starting wages for teachers were only \$6.51 per hour; these increased to only \$8.47 per hour on average for experienced teachers at the "high" end of the scale. Directors followed a corresponding low wage scale; starting average hourly wages for directors of child care facilities were \$10.73, increasing to only \$12.38 for more experienced directors. Subsidized programs offered the highest starting and highest experienced salaries to staff members.

Work completed by Bay Area Economics for BART which analyzed the economics of a child care center in a typical southern Alameda location found that the labor intensity of child care cannot usually be offset by higher fees; therefore, to provide care at a break-even level, wages are relatively low. The relatively low wages required to balance the operating budget, however, can have a direct impact on the quality of the care provided. For example, the *National Child Care Staffing Study* completed by the Child Care Employee Project in 1989 found that "The most important predictor of the quality of care children receive, among adult work environment variables, is staff wages."

It is likely that the economic situation for child care facilities in southern Alameda County mirrors the situation for most Milpitas providers. Child care is a difficult business; fees cannot be raised high enough in most cases to allow for the much-needed salary levels that are correlated with quality care. The result of this situation is that potential providers either do not start up, operating facilities shut down, or facilities pay their staff at levels that may result in a lower level of care than parents and children really need.

The relationships between labor costs, quality of care, and impact on expansion/retention in Milpitas have not been directly documented by this study. Nevertheless, these issues require further exploration and consideration as part of any city-sponsored child care strategy.

System Organization and Coordination

The nature of the Milpitas child care system and the needs of residents, employers, and employees described in this report underscore the situation experienced by many communities in California. Child care, which has grown as women have entered the labor force in ever-increasing numbers, has not been coordinated, regulated, or monitored in a manner comparable to

many other social services such as health care. Instead, a myriad of local, regional, and state organizations have evolved over time to meet a variety of needs, resulting in a "patchwork" system which can be daunting to the families it ultimately serves.

There are two examples which illustrate the system's general lack of coordination and how it can create a barrier to provision of child care. In the realm of subsidized care for low income families, the variety of programs and funding sources as described in this report (albeit limited in their level of assistance offered) can be difficult to access for families with limited resources. At the other end of the spectrum, the services of the State-funded Resource and Referral agency, the 4-C Council, are not utilized to their fullest due to Milpitas's position as a relatively small community at the edge of a large county.

CONCLUSIONS

Child care providers, employers, the School District, and the City of Milpitas have all implemented programs to improve the child care system in Milpitas. However, there are a number of additional strategies which could be followed to expand supply, enhance the quality of care, meet the needs of low income families, and contribute to the economic development of the City.

Under Council direction, the next phase of this study will explore strategies which other cities have followed to augment their child care systems. The next phase will also assess these strategies for their applicability to Milpitas, estimate their cost to implement, and provide a basis for community discussion.

APPENDICES

APPENDIX A

Employer Survey and List of Responding Firms

Firm Name: _____ Phone: _____

Date of Interview: _____

Name of person interviewed: _____

Position: _____

Circle the answer, or write in the correct answer.

First, we would like to ask you some questions about your firm.

1. How many employees does your firm have at this location?

Make sure you ask for this location only:

Number of Employees: _____

Next, we would like to ask you some questions regarding your employees and the ways they use child care. These questions are for the employees at this location only.

2. Approximately how many of your employees are using some form of child care?

Number using child care: _____

3. Does your firm offer money to assist employees with payment for child care

- a. Yes
- b. No

If yes, ask:

3(A1). Describe how your firm does this?

3(A2). How many of your employees get monetary assistance for child care?

If no, ask:

3(B1). Has your firm ever considered offering monetary payment for child care?

- a. Yes
- b. No

If yes:

3(B2). Why did your firm decide not to offer monetary payment?

4. Does your firm have a DCAP program, which uses pre-tax dollars to pay for an employee's child care?

- a. Yes
- b. No

If yes, ask:

4(A1). Describe how your firm does this

4(A2). How many of your employees are in your DCAP program?

If no, ask:

4(B1). Has your firm ever considered setting up a DCAP program?

- a. Yes
- b. No

If yes:

4(B2). Why did your firm decide not set up a DCAP?

5. Does your firm have a referral assistance program for employee child care?

- a. Yes
- b. No

If yes, ask:

5(A1). Describe how your firm does this

5(A2). How many of your employees have used your referral assistance program in the last year?

If no, ask:

5(B1). Has your firm ever considered setting up a referral assistance program for child care?

- a. Yes
- b. No

If yes:

5(B2). Why did your firm decide not set up a referral assistance program?

6. Does your firm offer paid leave to employees looking for child care?

- a. Yes
- b. No

If yes, ask:

6(A1). Describe how your firm does this

6(A2). How many of your employees have received paid leave for child care in the last year?

If no, ask:

6(B1). Has your firm ever considered offering paid leave to allow employees to find child care?

- a. Yes
- b. No

If yes:

6(B2). Why did your firm decide not to offer paid leave for this purpose?

7. Does your firm offer flex time or job sharing to assist employees with their child care needs?

- a. Yes
- b. No

If yes, ask:

7(A1). Describe how your firm does this

7(A2). How many of your employees are currently using job sharing or flex time to help them meet child care needs?

If no, ask:

7(B1). Has your firm ever considered offering flex time or job sharing to assist employees with child care needs?

- a. Yes
- b. No

If yes:

7(B2). Why did your firm decide not to offer flex time or job sharing?

8. Does your firm offer any other type of assistance to employees with child care needs?

- a. Yes
- b. No

If yes, ask:

8(A1). Describe how your firm does this

8(A2). How many of your employees are currently using other types of company assistance to help them meet their child care needs?

If no, ask:

8(B1). Has your firm ever considered offering any other type of assistance to employees with child care needs?

- a. Yes
- b. No

If yes:

8(B2). Why did your firm decide not to offer any other type of assistance?

9. What could employers in Milpitas do to help meet the child care needs of people working in the area?

10. Would you or your firm like more information about the child care programs available in Milpitas?

- a. Yes
- b. No.

If yes, confirm name, company, and address.

Name: _____

Company: _____

Street: _____

City, State, ZIP: _____

Thank you for your assistance.

LIST OF FIRMS SURVEYED

SMALL FIRMS

CPX
K&C DRYWALL
LEEMACK TRAINING SYSTEMS, INC.
ETEQ MICROSYSTEMS
RELISYS
LIBERTY LABORATORIES
NOTRA CABLES, INC.
ENGINEERED CIRCUIT RESEARCH
HV WELKER
SYNERGISTIC
TRIGON ADOTECH
HUNTFORD, INC.
SYSTEMS CHEMISTRY, INC.
LANDMARK LABEL MANUFACTURING
ARXE, INC.
LENTHOR ENGINEERING
LEE IMPERIAL WELDING, INC.
LITE-ON, INC.
PCB ENGINEERING
UNI-FAB

LARGE FIRMS

OCTEL COMMUNICATIONS CORP.
LIFESCAN
MILPITAS UNIFIED SCHOOL DISTRICT
XICOR, INC.
QUANTUM
READ-RITE
KOMAG
LSI LOGIC
SOLECTRON
SUN MICROSYSTEMS

APPENDIX B

Employee Survey

CHILD CARE EMPLOYEE SURVEY

How can we improve child care in Milpitas? The City Of Milpitas needs your help in answering this question, in order to prepare a Child Care Needs Assessment. We need to know your current child care needs and your child care wishes. Your answers are important because you will be representing other working parents in the area like yourself.

All answers to this survey will remain confidential.

Thank you for your assistance.

Age of
Youngest Child Age of Second
Youngest Child Age of Third
Youngest Child

1. Ages of children (Fill in blank)

Please fill out the following chart for each child living in your household aged 12 years or younger.

If you would use child care if it were available but are not currently doing so, please begin at Question #9.

2. Primary type of child care used? (Primary child care is the care used the most hours during a typical week.)

Place an X in the appropriate column.

	Youngest Child	Second Youngest Child	Third Youngest Child
1. BABYSITTER, who takes care of one family's child or children other than their own			
2. FAMILY CARE HOME, which is someone taking care of between 2 and 12 children in their home for pay on a regular basis			
3. CHILD CARE CENTER, which is a facility serving more than 12 children			
4. BEFORE/AFTER SCHOOL PROGRAM, which is an organized program caring for school-aged children before or after school			

3. How many miles from home is this child's primary care?

Place an X in the appropriate column.

	Youngest Child	Second Youngest Child	Third Youngest Child
1. LESS THAN 1 MILE			
2. 1 TO 2 MILES			
3. MORE THAN 2 MILES			
4. DON'T KNOW			

4. How many miles from your work is this child's primary care?

Place an X in the appropriate column.

	Youngest Child	Second Youngest Child	Third Youngest Child
1. LESS THAN 1 MILE			
2. 1 TO 2 MILES			
3. MORE THAN 2 MILES			
4. DON'T KNOW			

5. Where is this child's primary care located?

Fill in name of City in the space provided

	Youngest Child	Second Youngest Child	Third Youngest Child

6. For this child's primary care, would you say you are:

Place an X in the appropriate column.

	Youngest Child	Second Youngest Child	Third Youngest Child
1. VERY SATISFIED			
2. SOMEWHAT SATISFIED			
3. SOMEWHAT UNSATISFIED			
4. VERY UNSATISFIED			

7. Would you use child care near your work (within 1/2 mile) for this child if it were available?

Place an X in the appropriate column.

	Youngest Child	Second Youngest Child	Third Youngest Child
1. YES			
2. NO			

8. What is the total amount your household pays for ALL child care on a weekly basis?

AMOUNT PAID PER WEEK FOR ALL CHILDREN _____

9. Where do you live? _____

Fill in name of city in the blank provided.

10. For each child living in your household for whom you would like to use child care but are not currently doing so, what is the main reason?
Place an X in the appropriate column.

	Youngest Child	Second Youngest Child	Third Youngest Child
1. COST			
2. CAN'T FIND QUALITY CARE			
3. HOURS OF OPERATION I NEED NOT AVAILABLE			
4. NO SERVICES FOR SPECIAL NEEDS CHILDREN			
5. LOCATION NOT CONVENIENT.....			
6. OTHER			

11. If your employer offers any of the following assistance for child care, please circle ALL those items that you use.

1. MONETARY PAYMENT FOR CHILD CARE
2. FLEXIBLE WORKING HOURS (e.g., flextime or job sharing)
3. DEPENDENT CARE ASSISTANCE PROGRAM (DCAP)(uses pre-tax dollars to pay for child care)
4. REFERRAL ASSISTANCE
5. ON-SITE CHILD CARE FACILITY
6. PAID LEAVE TO LOOK FOR CHILD CARE
7. OTHER _____
8. NONE USED, EVEN THOUGH EMPLOYER OFFERS
9. EMPLOYER OFFERS NO ASSISTANCE

12. Which of the following best describes the household you live in?

Circle the number of your answer.

1. SINGLE PARENT HOUSEHOLD, WITH PARENT WORKING
2. TWO PARENT HOUSEHOLD, WITH ONE WORKING PARENT
3. TWO PARENT HOUSEHOLD, WITH TWO WORKING PARENTS
4. OTHER _____

13. Which of the following best describes your current HOUSEHOLD income on an annual basis?

Circle the number of your answer.

1. LESS THAN \$14,999
2. \$15,000 TO \$24,999
3. \$25,000 TO \$34,999
4. \$35,000 TO \$49,999
5. \$50,000 TO \$74,999
6. \$75,000 OR MORE

14. What could employers in Milpitas do to help meet the child care needs of people working in the area?

Write in the space provided.

APPENDIX C

PROVIDER SURVEY

4/22/92

PROVIDER SURVEY

Program Information

1. How many children does your license permit you to serve?

- | | | |
|-----------|------------|--------------|
| ----6 | ----21-40 | ----over 100 |
| ----12 | ----41-60 | |
| ----13-20 | ----61-100 | |

2. How long has your program been serving children in Milpitas?

- under 1 year
- 1 - 2 years
- 2 - 3 years
- 3 - 5 years
- over 5 years

3. (Ask centers only) What age groups are you licensed for?

- | | |
|-----------------------------|----------------------------|
| ----Infants (under 18 mo.) | ----school age (5 - 8 yrs) |
| ----Toddlers (18 - 2.6 yrs) | ----schoolage (9 - 12 yrs) |
| ----Preschool (2.6 - 5 yrs) | |

4. Do you accept children with disabilities?

- yes ----no

5. Please describe the ownership/sponsorship structure of your program.

Check all that apply

- | | |
|----------------------------|--|
| ----private for profit | ----school district or other public agency |
| ----private not for profit | ----church |
| ----other _____ | |

6. About how many openings did you have as of April 1? _____

7. In the past 3 months, how often has your facility operated at capacity?

- | | |
|---------------------------------|--------------------------|
| ----almost always (go to 8a) | ----sometimes (go to 8b) |
| ----most of the time (go to 8a) | ----never (go to 8b) |

7a Do you have a waiting list?

- yes ----no

7b If your program does not operate at full capacity most of the time, please give you opinion why this is the case.

Parent Needs

8. How do parents find out about your program?

- word of mouth ----advertising ----other
- 4 C's of Santa Clara ----school referrals

9. What types of things do you think are most important to parents when they choose child care services? (In order of priority: 1=most important; 2=important; 3=less important; 4=no opinion).

- safety ----qualifications of staff ----other
- educational program ----location
- cleanliness ----cost

Provider needs

10. Have you considered accreditation? ---yes ----no

(If yes, to 11) What are the barriers?

11. Do you plan to change your program within the next 2 or 3 years?

- yes ----no

if yes, please describe how your child care services will change.

12. If you would like to change your program, but feel you can't, what are the barriers to change?

13. Rate the problems you have in administering your home or center. (1=very difficult to 5= least difficult.)

- Difficulty in finding qualified staff
- Easy access to appropriate staff training
- Lack of substitutes

- Lack of subsidies for parents
- Staff salaries
- Group health benefits
- Lack of community resources to refer parents
- Care for mildly ill children
- Small business loans
- Other

14. Is your child care service affiliated with area wide director groups or other provider support groups?

----yes ----no
If yes, please describe:

15. Do you or your staff utilize local training opportunities?

----yes If yes, give some examples
----no If no, why not?

16. Do you use services from a Resource and Referral agency?

----yes ----no

17. If yes, what is the name of the RR?

18. What Resource and Referral services do you use?

----referrals	----technical assistance
----licensing information	----training services
----information on community resources	----other

Interactions with City of Milpitas

19. In the last 3 years, has your child care program had any interactions with city government?

----yes ----no

20. What were the reasons for the interactions?

----Permits needed	----Variances needed
----Fire clearances	----Neighbor complaints
----Business license	----Other

21. How would you rate those interactions? (1=satisfactory; 2=not very satisfactory; 3=unsatisfactory). _____

22. Are there other comments you would like to make or ideas you have for improving child care services in Milpitas?

Appendix D1: Net Employment-Generated Demand for Child Care in Milpitas for Children Under 6, 1992

	<u>Total (a)</u>	<u>Resident (b)</u>	<u>Non-Resident (c)</u>
Total Estimated Milpitas Employment, 1990	37,820	5,449	32,371
Proportion of Working Women With Children Under 6 (d)			7.0%
Proportion Seeking Child Care in Milpitas (e)			20.0%
Proportion Seeking Organized Child Care(f)			50.0%
Number of Non-Resident Workers Seeking Child Care in Milpitas			225

	<u>Total</u>	<u>Working In Milpitas (b)</u>	<u>Not Working In Milpitas</u>
Total Residents in Labor Force ,1990 (g)	25,757	5,449	20,308
Proportion of Working Women With Children Under 6 (d)			9.5%
Proportion Seeking Child Care Outside of Milpitas (e)			20.0%
Proportion Seeking Organized Child Care(f)			50.0%
Number of Residents Seeking Child Care Outside Milpitas			193
Net Employment-Generated Demand for Child Care for Children Under 6			32

Notes:

- (a) Total employment in Milpitas 1990 from ABAG "Projections '90."
- (b) Total Milpitas residents employed in Milpitas from 1990 Census STF3.
- (c) Total employment minus local resident employment.
- (d) Non-resident workers in Milpitas were assumed to have the characteristics of the labor force of Santa Clara County, where the number of mothers with children under 6 is calculated as follows:

Total Workers	796,605
Women in Labor Force	
With children under 6 only	33,378
With children under 6 and 6 to 17	22,060
Total	55,438
As percent of total labor force	7.0%

- (e) This proportion is not readily available and must be estimated from other sources. In a previous survey of residents of Livermore, Pleasanton, and Dublin, BAE found that approximately 20 percent of those using child care used facilities closer to the place of work than to home. "Child Care Planning and Coordination in the City of Berkeley: Laying the Groundwork"; Berkeley Planning Associates and Child Care Law Center, 1990, estimates that one-third of parents with children under five would like child care near the workplace. This table uses the more conservative estimate of 20 percent of workers seeking child care near the place of work.
- (f) Demand for care for children 0-5 based on number of employed mothers with children under 5 needing non-relative care outside the home from "Who's Minding the Kids? Child Care Arrangements: Winter, 1986-1987," U.S. Bureau of the Census Current Population Reports Series P-70, No. 20.
- (g) Total Milpitas resident workforce from 1990 Census STF3.

Estimate assumes one child under 6 for each woman in the labor force with children under 6.

Sources: Bay Area Economics, and as noted.

Appendix D2: Net Employment-Generated Demand for Child Care in Milpitas for Children Under 6, 1997

	<u>Total (a)</u>	<u>Resident (b)</u>	<u>Non-Resident (c)</u>
Total Estimated Milpitas Employment, 1997	51,466	6,531	44,935
Proportion of Working Women With Children Under 6 (d)			7.0%
Proportion Seeking Child Care in Milpitas (e)			20.0%
Proportion Seeking Organized Child Care(f)			50.0%

Number of Non-Resident Workers Seeking Child Care in Milpitas 313

	<u>Total</u>	<u>Working In Milpitas (b)</u>	<u>Not Working In Milpitas</u>
Total Residents In Labor Force ,1997 (g)	30,873	6,531	24,342
Proportion of Working Women With Children Under 6 (d)			9.5%
Proportion Seeking Child Care Outside of Milpitas (e)			20.0%
Proportion Seeking Organized Child Care(f)			50.0%

Number of Residents Seeking Child Care Outside Milpitas 231

Net Employment-Generated Demand for Child Care for Children Under 6 82

Notes:

- (a) Total employment in Milpitas 1997 interpolated from ABAG "Projections '90." Annual growth rate from 1995 to 2000 is applied to 1995 to 1997 period.
- (b) Total employed residents in Milpitas 1997 interpolated from ABAG "Projections '90." Annual growth rate from 1995 to 2000 is applied to 1995 to 1997 period. Resident employees assumed to be same ratio as in 1990 (from Census STF3).
- (c) Total employment minus local resident employment.
- (d) Non-resident workers in Milpitas were assumed to have the characteristics of the 1990 labor force of Santa Clara County, where the number of mothers with children under 6 is calculated as follows:

Total Workers	796,605
Women in Labor Force	
With children under 6 only	33,378
With children under 6 and 6 to 17	22,060
Total	55,438
As percent of total labor force	7.0%

- (e) This proportion is not readily available and must be estimated from other sources. In a previous survey of residents of Livermore, Pleasanton, and Dublin, BAE found that approximately 20 percent of those using child care used facilities closer to the place of work than to home. "Child Care Planning and Coordination in the City of Berkeley: Laying the Groundwork"; Berkeley Planning Associates and Child Care Law Center, 1990, estimates that one-third of parents with children under five would like child care near the workplace. This table uses the more conservative estimate of 20 percent of workers seeking child care near the place of work.
- (f) Demand for care for children 0-5 based on number of employed mothers with children under 5 needing non-relative care outside the home from "Who's Minding the Kids? Child Care Arrangements: Winter, 1986-1987," U.S. Bureau of the Census Current Population Reports Series P-70, No. 20.
- (g) Total employed residents in Milpitas 1997 interpolated from ABAG "Projections '90." Annual growth rate from 1995 to 2000 is applied to 1995 to 1997 period.

Estimate assumes one child under 6 for each woman in the labor force with children under 6.

Sources: Bay Area Economics, and as noted.

Phase II Report Milpitas Child Care Needs Assessment

Strategies to Improve the Child Care System

Bay Area Economics

5/1993



PHASE II REPORT:
MILPITAS CHILD CARE NEEDS ASSESSMENT

STRATEGIES TO IMPROVE THE CHILD CARE SYSTEM

Prepared For:
The Mayor and City Council
City of Milpitas

Prepared By:
Bay Area Economics
Freis & Miller

May 1993

May 19, 1993

The Mayor and City Council
City of Milpitas
455 E. Calaveras Boulevard
Milpitas, CA 95035

Dear Honorable Mayor and City Council Members:

We are pleased to submit the enclosed Phase II of the Milpitas Child Care Needs Assessment regarding Strategies to Improve the Child Care System.

We look forward to your comments. Please feel free to call me anytime.

Sincerely,

Janet Smith-Heimer
Principal

TABLE OF CONTENTS

INTRODUCTION	1
LOCAL GOVERNMENT STRATEGIES	2
Needs Assessments/Child Care Plans	2
Child Care as Part of City Planning Process	2
Zoning/Permitting	4
Provider Start-Up/Expansion Assistance	5
Development Impact Fees	7
Development Incentives	8
Child Care Fund	8
City as Model Employer	9
Local Government Contractor Programs	9
Special Taxes	10
City as Provider or Partnership with Others	10
OTHER STRATEGIES	12
Business Strategies	12
Provider Strategies	13
SUMMARY OF STRATEGIES FOR MILPITAS	14
Low-Cost Options	14
Moderate-Cost Options	14
End Table C.	

INTRODUCTION

This report is Phase II of the Milpitas Child Care Needs Assessment, commissioned by the City of Milpitas as a first step in reviewing its child care system. Phase I, completed in June, 1992, evaluated the demand and supply of child care for children aged 0 to 12 in Milpitas now and for the next ten years.

This report provides an inventory of strategies that cities, businesses, and provider organizations in California have pursued to improve and/or expand the supply of child care in their communities. In order to assist with decision-making in Milpitas, strategies that have costs associated with them have been described in terms of those costs.

Research for this report included a review of numerous resource documents, city child care plans, and published reports describing the needs, strategies, and implementation programs for used by public and private organizations to improve child care throughout California. In addition, many of the cities described herein were contacted by Bay Area Economics to discuss the implementation of each strategy.

LOCAL GOVERNMENT STRATEGIES

Needs Assessments/Child Care Plans

Many cities in California have undertaken Needs Assessments or Child Care Plans during the past five years including Sunnyvale, West Sacramento, Irvine, Davis, Fremont, Central San Mateo County, Palo Alto, Oakland, and Santa Monica.

Most of these documents devote considerable effort to assessing current need such as a description of the current supply, a demographic analysis, and perhaps a review of surveys of local businesses. Most of the Needs Assessments or Child Care Reports recommend undertaking a Plan as the next step.

The formal Plans range from statements of policies (e.g., "expand the supply of child care in our community") to more definitive strategic plans with specified actions, budgets, and time frames. Most of the possible strategies described below are included in many of these documents.

Several communities, including Fremont and Sacramento, have published updates on the status of their plan implementation. However, none of the plans reviewed established a regular cycle for updating either the planning or implementation effort.

Applicability to Milpitas. For Milpitas, the current Child Care Needs Assessment represents the first step in this process. If a task force is convened to formulate a strategy or plan, this effort will be complete.

Child Care as Part of City Planning Process

Many of the child care plans recommend that child care issues be given the same status as other social services within local government. One way to accomplish this is to integrate child care into the city planning process. This approach is especially important in cities with substantial growth and/or redevelopment opportunities such as Milpitas.

In accordance with California law, each city must prepare a General Plan, which is mandated to contain several Elements including a Housing Element, a Circulation Element, a Land Use Element, etc. Certain other elements are optional, and recent state law actually lists Child Care as an optional Element. Moreover, several California bills have recently been proposed which would make a Child Care Element a requirement of the General Plan.

Several cities' child care reports recommended producing a Child Care Element as part of the General Plan in the future, incorporating policy statements, identification of possible locations for facilities through a specific General Plan land use designation category, and program descriptions. A related approach recommended by many child care advocates is to revise other General Plan elements that relate to child care (e.g., Circulation, Land Use, and Housing) in order to incorporate policies and programs into them.

Research for this study uncovered several Child Care Elements which have been incorporated into the General Plans of cities including West Sacramento, Susanville and Escondido. However, a review of these

documents indicated that they do not deal with land use designations for particular sites or other physical issues; rather, the Child Care Elements cover many of the same general topics as the other child care reports reviewed for this study.

There are several other ways which child care can be incorporated into the city planning process. Development agreements, which are typically used by cities to negotiate developer contributions and dedications on a case-by-case basis, have been used to exact child care monies or facilities. The Child Care Law Project also recommends that child care advocates become involved in the environmental review process (EIR) in order to comment on the child care impacts of proposed development projects. This EIR process, by law, must attempt to mitigate documented impacts; possibilities exist for realizing developer contributions to a child care system via the EIR process (see Coordinator discussion below).

Finally, Los Angeles has linked child care to the Redevelopment planning process, requiring that redevelopment projects (city-sponsored projects in blighted areas) address the need for child care. This type of strategy is important to consider because it interfaces well with those occasions when the local government is actually serving as a member of a development team and can directly influence what type of facilities are developed.

Applicability to Milpitas. Conversations with the City Planning Department have confirmed that Milpitas will undertake a General Plan update beginning in the Fall of 1993. A Child Care Element describing policies, programs, the supply of child care, and even a land use designation for particular locations could be incorporated into this process. To begin the process, City Council could direct staff to incorporate a Child Care Element into the General Plan update. Parts of the Phase I study could be used to formulate a Child Care Element for the Milpitas General Plan. The primary benefit of this approach to the City is to take a formal policy approach toward the goal of improving and expanding child care services in Milpitas, as well as linking that policy to its overall land use planning.

The cost to the City of Milpitas for incorporating child care into its General Plan update process would be negligible if completed as part of an overall Plan update process.

Exactions in the form of developer agreements to provide child care facilities have not been utilized to date in Milpitas. With several large commercial projects still in the planning stages, this strategy could be implemented on a case-by-case basis. The cost to exact child care would be borne by the developer, but may constitute an indirect cost to the City in terms of lessening developer interest in building projects in Milpitas.

Zoning/Permitting

The issue of zoning and related land use regulations can severely impact the provision of child care, particularly in a family home setting. In California, legislation enacted in 1986 has served to clarify certain aspects of zoning law related to family homes. Small family homes (one to six children) are permitted "by right" in all residential zones; this means that no notifications, hearings, or use permits can be required for small family child care homes.

Large family homes (7 to 12 children) can be treated in one of three ways by cities in California: they can be permitted "by right" in residential zones, they can be given a non-discretionary permit (granted by planning director without public hearing if certain conditions are met), or they can be required to obtain a conditional use permit (requires neighbor notification and public hearing). The choice of requiring a conditional use permit can result in delay, expense, confusion, and potential denial of the project. Child care advocates tend to discourage the conditional use permit approach, due to these constraints on the expansion of child care supply.

In Milpitas, the zoning ordinances currently in force are unclear with respect to how large family child care homes are permitted. According to the planning department, for all residential zones, large family child care homes are not specifically discussed in the zoning ordinance. Instead, these facilities have been considered as "schools," which are required to obtain a conditional use permit in all residential zones. However, it should be noted that the definition of "school" contained in the City's zoning ordinance does not technically pertain to family child care homes, rendering the situation potentially unclear to a child care provider wishing to start a large family child care home.

Interestingly, Milpitas zoning ordinance allows large family day care homes "by right" in the C-2 (community commercial) zone. However, in other commercial zones such as C-1 (neighborhood commercial) and CO (administrative/professional offices), the language of the ordinance suggests a non-discretionary use permit process. In the TC (town center) zone, all land uses require a conditional use permit, including all types of child care facilities.

The allowance of family child care homes in any commercial zones is not typical in other cities, especially on a "by right" basis such as that permitted in the C-2 zone in Milpitas. Thus, the City's commercial zone regulatory structure is supportive of child care facilities in a way that most other cities are not.

Business licenses including payment of business license fees are also often required of family home operators. This requirement has been waived in several cities throughout California as a strategy to encourage expansion of the child care system.

In Milpitas, the current fee structure is relatively moderate: home businesses, which would encompass small and large family child care facilities, are charged a flat \$25 annual fee. For child care centers, the business license fee is a flat \$35 per year, plus an additional annual charge per employee; from one to 10 employees, there is a per-employee charge of \$5, and from 11 to 100 employees, the charge is \$1 per employee. Thus, a typical child care center with 12 employees would pay approximately \$95 per year.

Applicability to Milpitas. To mitigate the current zoning situation in Milpitas, a revision of all residential zoning ordinances would be needed in order to specify the use of large family child care homes, and provide language for a non-discretionary use permit process. Additionally, while the business license fee is not particularly onerous for child care providers in Milpitas, waiving the fee might eliminate a barrier to the provision of care.

Provider Start-Up/Expansion Assistance

In communities where supply of child care is of major concern, special programs to assist providers with start-up or expansion have been implemented, typically via the Child Care Coordinator mechanism described below.

The start-up of a family home or child care center requires numerous business skills and familiarity with a variety of zoning and licensing regulations. These obstacles to start-up can severely constrain the expansion of a community's child care supply. Start-up/expansion assistance, therefore, can take a variety of forms including production of a brochure describing the city's zoning/licensing procedures, assistance with loan applications, site location assistance, and business planning/marketing help.

For example, Resources for Family Development under contract to the City of Pleasanton, recently completed a start-up assistance brochure. Contract costs were approximately \$4,000 (printing costs not included).

Applicability to Milpitas. Start-up/expansion assistance, can take a variety of forms including production of a brochure describing the city's zoning/licensing procedures, assistance with loan applications, site location assistance, and business planning/marketing help. Milpitas could provide some form of assistance for the start-up/expansion of child care facilities to meet existing and future child care demand. The costs for this type of assistance would vary; services could be provided by contract.

Child Care Coordination

A city-sponsored child care coordinator has been recommended by many cities' plans, and has been implemented in a variety of ways throughout California. Currently, there are over 45 cities with Child Care Coordinators statewide (e.g., Santa Clara County, Alameda County, Contra Costa County, City of San Jose, City of Sunnyvale, City of Palo Alto, City of Oakland, City of San Leandro, City of Davis, City of Sacramento, and State of California for its own employees). Basically, the child care coordinator is a person responsible for implementing local government policies and programs; the person can either be an existing staff member with other responsibilities or an addition to staff. Child care coordinators can be full- or part-time city staff, or can be hired on a contract basis.

Child care coordinators can serve many functions. In the cases of integrating child care into the city planning process, the environmental review/planning review/developer negotiation functions can be overseen by the coordinator. In addition, the coordinator often serves as a liaison to other city departments and the business community, providing education and referral services on employee benefits, etc. Further, the coordinator can oversee special programs and partnerships undertaken by the local government such as provider start-up/expansion, a child care fund, and an accreditation program. The cost of hiring a facilities child care coordinator can range from \$40,000 to \$60,000, plus overhead. A part-time coordinator, which would probably suffice for Milpitas, would cost less than full-time staff; the exact cost would depend on the range of responsibilities and time commitment.

As a lower cost alternative to hiring a staff coordinator directly, some cities have contracted with their local Resource and Referral Agency to provide coordination services. For example, Resource for Family

Development performs certain coordination functions for the cities of Pleasanton and Livermore through contractual arrangements.

In previous years the Santa Clara County Office of Education operated child care coordination services through a United Way grant. These services included assisting newly forming childcare facilities through the local planning process and working with community colleges to provide courses for child care training. Although funding to provide these services has been discontinued, the Santa Clara Office of Education has expressed interest in contracting with local agencies to again provide these services.

Applicability to Milpitas. Due to the relatively small size of the City of Milpitas a part-time child care coordinator could be an effective way to implement recommended programs. Contracting out coordination of child care services through a Resource and Referral organization or the County Office of Education would be another feasible alternative for the City of Milpitas.

Development Impact Fees

Development fees are the "stick" approach to land development regulation; this method is used by many cities in California to obtain funds for streets, parks, public art, and affordable housing.

San Francisco and Concord have pioneered the effort to link development to fees for child care. In Concord, a 0.5 percent of value fee is charged for most large new development projects for the purpose of improving the quality of child care available. To date these funds have been used to make child care more accessible for special needs children through scholarships, provider training, and referral services. In San Francisco, a linkage fee for child care charged to office developers that was implemented several years ago received national press; however these funds have only recently been appropriated to a vendor voucher program. This program will serve low income families seeking child care for children under two years of age.

Contra Costa County has taken a slightly different tack with this type of strategy. The County requires that all new developments (commercial and residential) over thirty units in size prepare a Child Care Needs Assessment in order to determine the need for child care generated by the project proposal. The developer must then mitigate the identified need by either building facilities or assisting child care providers with facility construction/expansion. In September 1992, this ordinance was revised and currently requires all projects under thirty units (commercial and residential) to pay a fee of \$400 per unit built to increase the child care supply through construction or expansion of child care facilities.

Applicability to Milpitas. Milpitas continues to grow with substantial new development planned for the future. Thus, developer impact fees could generate needed funding for child care programs in Milpitas. If a child care impact fee were adopted, the program would require administration by City staff and community input for expenditure planning.

Development Incentives

Development incentives are a "carrot" approach to facilitating an expanded child care system. Cities such as Los Angeles have encouraged child care by offering developers a density bonus (more square feet of

development than would otherwise be permitted), waiving development or permit fees (which can be thousands of dollars) if child care is provided, and waiving parking requirements for projects in downtown locations (parking in garages is typically a major development cost which developers are delighted to minimize).

A recent piece of state legislation, AB 1828, enacted enabling legislation which permits local governments to pass ordinances establishing a density bonus for child care space provision. This type of legislation is explicitly modeled on affordable housing legislation, which provides for a density bonus in residential projects if a certain number of affordable units are included. For child care, the density bonus is for buildings over 50,000 square feet, and permits up to 10 additional square feet of development for every one square foot of child care space provided, subject to certain size and licensing standards. This legislation is important because it provides an explicit encouragement by the state to local governments to use their regulatory powers to expand the child care system.

Applicability to Milpitas. This strategy could easily be applied to Milpitas. Costs to implement this type of program are minimal. Additionally, Milpitas has room to grow and density bonuses or other developer incentives are feasible options.

Child Care Fund

A Child Care Fund is a way to centralize funds that are derived from multiple funding sources at the State, County, local, and/or non-profit level. This fund can be used for a variety of programs or can provide direct subsidies to income-eligible or at-risk families. Many cities' plans recommend implementation of a Child Care Fund. Contra Costa County has successfully established a Fund targeted to providing subsidies to low-income families. Funding sources for the Contra Costa County Fund include the State Department of Education, Community Development Block Grant monies, foundation grants, and private or public donations. In Palo Alto, a Child Care Scholarship Fund has been recently established with a grant from the Buck Trust Fund and matching funds from private donations and corporate sponsorship. The scholarships will provide vouchers to needy working families to pay for care at any licensed facility meeting their needs.

Applicability to Milpitas. This approach could be used in Milpitas if a comprehensive strategy to child care planning were adopted.

City as Model Employer

Local governments can serve as model employers to encourage child care provision. Efforts used by cities around the state includes on-site child care centers (State of California requires on-site facilities for all of its new office buildings with more than 700 employees), benefit plans, subsidies, flex-time, etc. Davis and Los Angeles in particular have focuses much of their plan implementation efforts on making their own organizations into model employers.

In Santa Clara County, the City of Sunnyvale is a model employer. The City contracts with a private firm, Choices for Children, to provide enhanced child care referral services to their employees.

Applicability to Milpitas. The City of Milpitas has already undertaken several actions which form the basis for this approach. For example, a Dependent Care Assistance Program (DCAP) is in place as an employee benefit option. Flex-time arrangements have been made when possible; certain contract provisions and other labor regulations override flex-time arrangements for some City staff. The City of Milpitas could implement a more comprehensive program to become a Model Employer. Further research would be necessary to establish the extent of child care needs by City employees.

Local Government Contractor Programs

This concept is a particularly interesting approach. Working from the idea that local governments can influence the private sector by their own purchasing power for goods and services, Los Angeles and Alameda County have implemented contractor programs. These programs involve surveys, educational materials, and even a bonus system for those private businesses that can demonstrate attention to child care on behalf of their employees (Los Angeles only). The incentive is that those companies with child care programs are awarded bonus points in the contract bidding process, enabling them to secure contracts over companies without such child care programs.

Applicability to Milpitas. Due to the relatively small size of the City, this strategy may not be feasible.

Special Taxes

Fremont is a good case study of this concept - the direct taxation of residents and businesses to support child care programs at the local level. Unfortunately, the Fremont tax proposal for resident taxation was defeated at the ballot box in 1989, sending a message around the state that residents were not willing to provide direct monetary support for child care.

Applicability to Milpitas. Given current public opinion regarding new taxation proposals, it is not likely that this approach would be applicable to Milpitas.

City as Provider or Partnership with Others

A city, through its officers, departments, and officials can take an active role in the promotion and development of cooperative relationships with parents, employers, child care professionals, the school district, organizations, businesses, educators, community leaders, and government officials. The common goal in such partnerships is to increase the availability of accessible and affordable quality child care to working parents.

Los Angeles has funded LA's BEST, an after-school education and enrichment program on school sites and formed a City/federal partnership to establish a child care center on City Hall grounds for the children of City and federal employees.

The most common form of partnership to date has been between local governments and school districts, primarily for the purpose of operating after-school care programs. Schools can either lease space, provide

ground for portables, or by contract with cities to operate programs on school sites. The City of Milpitas is an example of this kind of partnership through its contribution of City Leisure Services Department recreation staff to the School District's after-school program, housed at four school sites.

In the City of Pasadena, a partnership between local government and local businesses was created through the Business Child Care Consortium. Developed with a planning grant from the State Department of Education, this consortium was devised to support Pasadena businesses in the development of family and dependent care services for employees and residents. The Consortium holds breakfast meetings and has toured both on- and near-site employer-related child care centers in the Pasadena area. A quarterly newsletter is sent to Business consortium members with information on business and child care. Additionally, the Business Consortium has planned joint parent support/education classes and lunch-time child care forums for employees. The member companies contribute to the costs of the presentations. The City of Pasadena hired a consulting firm to develop the business consortium and prepare all related brochures and materials. Estimated consultant costs were \$25,000, paid for through a planning grant from the State Department of Education.

Applicability to Milpitas. A business consortium of major Milpitas firms could be a good strategy for addressing child care needs in Milpitas. During the employer survey conducted for Phase I of this Study, many firms in Milpitas expressed an interest in responding to employee child care needs, but needed more information and guidance. Additionally, some businesses in Milpitas currently provide innovative and successful child care benefits, which other businesses might be interested in modeling. Thus, a business consortium would create a partnership between the City and major firms in Milpitas to better respond to child care needs.

OTHER STRATEGIES

There are numerous strategies to enhance the Milpitas child care system which can be implemented by local businesses or providers, and could be encouraged by City actions.

Business Strategies

For businesses, these strategies include provision of on-site or near-site child care facilities (e.g., near office buildings or industrial areas); flexible benefits such as Dependent Care Assistance Program, cafeteria plans, flextime, parental leave, etc.; direct monetary assistance to pay for a portion of child care costs; and direct grants to resource agencies.

There are numerous kinds of tax incentives which can also spur employers to provide child care system enhancement. For example, in addition to the DCAP program, employers can earn tax credits by contributing to California Child Care Resource and Referral agencies; this credit can be as much as 30 percent of the contribution up to \$50,000. Businesses can also earn tax credits by providing monetary assistance towards the start up expenses of establishing a child care center or constructing a facility.

Businesses have also collaborated to improve child care facilities. For example, IBM initiated a collaboration of private and public firms, the American Business Consortium, to help expand and fund new child care facilities nationwide. Santa Clara County is one of 44 areas nationwide with an operating branch of this group. In Santa Clara County, the American Business Consortium is currently funding the construction and start-up of two child care facilities, one in San Jose and one in Sunnyvale.

In Santa Clara County, The Manufacturing Group, is a private public policy trade association, with a special task force on dependent care assistance. Membership is open to most businesses in Santa Clara County, with the exception of consulting groups, developers, retail businesses and law firms. This group focuses on public policy education and develops new policy recommendations in support of member business needs. The dependent care task force group meets monthly. These meetings are geared towards education regarding existing policies and lobbying in response to local policy proposals. Approximately once a year a seminar is held for the entire membership and some outside businesses focusing on dependent care.

Applicability to Milpitas. The City of Milpitas can encourage businesses to pursue these strategies through holding meetings and educational programs. A third Phase of this Study involving formation of a Task Force including City elected officials, business representatives, school district, and provider representatives to discuss the options, could be implemented. The formation of such a Task Force is a first step toward providing City encouragement of private sector initiatives in a low-cost manner. The Task Force could elect to become involved with the American Business Consortium that is already actively developing child care facilities in Santa Clara County. The Milpitas Task Force could also elect to become directly involved in the Santa Clara County Manufacturing Group's special task force on dependent care.

Provider Strategies

Strategies which have been implemented directly by providers, provider organizations, and/or resource agencies include formalized accreditation programs; a family child care network to provide training, respite for providers, and substitutes; and pooling of financial resources to maximize the cost-effectiveness of purchasing goods and services such as liability insurance and supplies.

In some communities, provider of strategies can have an enormous impact on the amount, quality, and cost of child care. In particular, an accreditation program, which can be linked to one of several such programs organized on a national level by provider organizations, can spur local providers to voluntarily meet certain standards of care designed to promote quality. These kinds of accreditation programs can be inexpensive to implement, and can also be useful for the recipients in their marketing efforts.

Within Santa Clara County, the City of Sunnyvale is using a grant from Mervyn's to reimburse child care centers that receive accreditation from the National Association for the Education of Young Children for their accreditation costs. Recently, family child care facilities were added to this reimbursement program.

Applicability to Milpitas. Many of these provider strategies could benefit the providers in Milpitas. They should be explored in more detail if the third Phase of this Study, a Milpitas Task Force, is activated.

SUMMARY OF STRATEGIES FOR MILPITAS

It is recommended that the third Phase of this Study, formation of a Milpitas Child Care Task Force bringing together local businesses, provider representatives, City staff, and elected officials, be convened to further discuss options for a Milpitas Child Care Strategy. The following summarizes the types of actions described in this report in terms of their cost to the City of Milpitas.

Low-Cost Options

Many of the ideas contained herein would incur little or no cost to implement. These options include:

- Integration of child care into the General Plan update process
- Incorporation of child care impacts into major project review
- Exactions/developer agreements to provide child care facilities or services as part of new projects
- Revision of zoning ordinances
- Limited provider start-up/expansion services
- Enaction of a density bonus for child care space provision
- Part-time or contractual child care coordinator
- City as Model Employer
- More active involvement with existing County groups (Manufacturing Group, American Business Consortium)
- Active education program to stimulate business and provider actions

Moderate-Cost Options

- Partnerships with school district for services or facilities
- Full-time child care coordinator (not recommended due to small size of Milpitas)
- Development Impact Fee program
- Specialized local resource and referral



C124892921

